

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

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

SPORTSMAN’S WAREHOUSE HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

5940
(Primary Standard Industrial
Classification Code Number)

39-1795614
(I.R.S. Employer
Identification Number)

7035 South High Tech Drive
Midvale, Utah 84047
(801) 566-6681

(Address, including zip code, and telephone number, including area code, of registrant’s principal executive offices)

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

If any securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, 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, 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, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(2)
Common Stock, par value \$0.01 per share	\$230,000,000	\$29,624

- (1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended. Includes the offering price of additional shares that the underwriters have the option to purchase.
(2) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

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 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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 nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PRELIMINARY PROSPECTUS

Subject to Completion. Dated December 10, 2013

Shares



Sportsman's Warehouse Holdings, Inc.

Common Stock

This is an initial public offering of shares of common stock of Sportsman's Warehouse Holdings, Inc.

We are offering _____ of the shares to be sold in this offering. The selling stockholder identified in this prospectus is offering an additional _____ shares. We will not receive any of the proceeds from the sale of the shares being sold by the selling stockholder, including any shares sold by the selling stockholder in connection with the exercise of the underwriters' option to purchase additional shares.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between \$ _____ and \$ _____. We intend to list our common stock on _____ under the symbol "_____."

We are an "emerging growth company" as that term is used in the Jumpstart Our Business Startups Act and, as such, will be subject to reduced public company reporting requirements.

See "[Risk Factors](#)" on page 13 to read about factors you should consider before buying shares of our common stock.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Sportsman's Warehouse	Proceeds to Selling Stockholder
Per Share	\$ _____	\$ _____	\$ _____	\$ _____
Total	\$ _____	\$ _____	\$ _____	\$ _____

To the extent that the underwriters sell more than _____ shares of common stock, the underwriters have the option to purchase up to an additional _____ shares from the selling stockholder identified in this prospectus at the initial price to the public less the underwriting discount. We will not receive any proceeds from the sale of any of the additional shares by the selling stockholder.

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

Delivery of the shares of common stock will be made on or about _____, 2014.

Credit Suisse

Goldman, Sachs & Co.

Prospectus dated _____, 2014.



Mission Statement

Our mission is to provide outdoor enthusiasts, casual users, and first-time participants with quality brand-name hunting, fishing, camping and shooting merchandise within a convenient shopping environment, serviced by passionate, knowledgeable associates, to create a memorable outdoor experience.



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Through and including _____, 2014 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

We have not authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Fiscal Years

We operate on a fiscal calendar which, in a given fiscal year, consists of the 52- or 53-week period ending on the Saturday closest to January 31st. The reporting periods contained in our audited consolidated financial statements included in this prospectus contain 53 weeks of operations in fiscal year 2012, which ended February 2, 2013 and which we refer to in this prospectus as fiscal year 2012, and 52 weeks of operations in fiscal year 2011, which ended January 28, 2012 and which we refer to in this prospectus as fiscal year 2011. We refer in this prospectus to the 52 weeks of operations, which ended January 29, 2011, as fiscal year 2010. Our interim reporting periods in the unaudited consolidated financial statements included in this prospectus consist of the 39-week periods ended November 2, 2013 and October 27, 2012.

Presentation of Certain Financial Measures

Certain financial measures presented in this prospectus, such as Adjusted EBITDA, Adjusted EBITDA margin, same store sales, four-wall Adjusted EBITDA, four-wall Adjusted EBITDA margin, return on invested capital and pre-tax payback period are not recognized under U.S. generally accepted accounting principles, or GAAP. We define these terms, other than Adjusted EBITDA, as follows:

- “Adjusted EBITDA margin” means, for any period, the Adjusted EBITDA for that period divided by the net sales for that period.
- Net sales from a store are included in “same store sales” on the first day of the 13th full month following the store’s opening or acquisition by us. We exclude net sales from e-commerce from our calculation of same store sales, and for fiscal years consisting of 53 weeks, we exclude net sales during the 53rd week from our calculation of same store sales.
- “Four-wall Adjusted EBITDA” means Adjusted EBITDA for a particular store, excluding any allocations of corporate selling, general and administrative expenses allocated to that store.
- “Four-wall Adjusted EBITDA margin” means, for any period for a given store, the Adjusted EBITDA for that period for that store, divided by the net sales for that period for that store.
- “Return on invested capital,” or “ROIC,” means a store’s four-wall Adjusted EBITDA divided by our initial cash investment in the store. We calculate return on invested capital both including and excluding the initial inventory cost.
- “Pre-tax payback period” means, for a given store, the number of years from and after its opening it takes for the cumulative four-wall Adjusted EBITDA for that store to equal our total cash investment in that store, which we calculate both including and excluding the initial inventory cost.

For a definition of Adjusted EBITDA and reconciliation of that measure to the most directly comparable GAAP measure, see “Summary Consolidated Financial and Operating Data.” The use of certain of these measures is also discussed under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—How We Assess the Performance of Our Business.”

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should read this entire prospectus carefully, including the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and related notes.

As used in this prospectus, unless the context otherwise requires, references to “Sportsman’s Warehouse,” “we,” “us,” and “our” refer to Sportsman’s Warehouse Holdings, Inc. and its subsidiaries and references to “Holdings” refer to Sportsman’s Warehouse Holdings, Inc. excluding its subsidiaries.

Who We Are

Sportsman’s Warehouse is a high-growth outdoor sporting goods retailer focused on meeting the everyday needs of the seasoned outdoor veteran, the first-time participant and every enthusiast in between. Our mission is to provide a one-stop shopping experience that equips our customers with the right hunting, shooting, fishing and camping gear to maximize their enjoyment of the outdoors. We strive to accomplish this goal by tailoring our broad and deep merchandise assortment to meet local conditions and demand, offering everyday low prices, providing friendly support from our knowledgeable, highly trained staff and offering extensive in-store events and educational programming. These core strategies help position Sportsman’s Warehouse as the “local outdoor experts” and the preferred place to both shop and share outdoor-based experiences in the communities we serve. As a result, we are expanding our loyal customer base in existing markets and increasing our store footprint in new markets, which we believe will further drive our growth and profitability.

Sportsman’s Warehouse was founded in 1986 as a single retail store in Midvale, Utah and has grown to 47 stores across 18 states. Today, we have the largest outdoor specialty store base in the Western United States and Alaska. Our stores range from 30,000 to 65,000 gross square feet, with an average size of approximately 48,000 gross square feet. Our store layout is adaptable to both standalone locations and strip centers, and we believe it is less capital-intensive than that of our principal competitors. Together, these features enable us to effectively serve markets of multiple sizes, from Metropolitan Statistical Areas, or MSAs, with populations of less than 75,000 to major metropolitan areas with populations in excess of 1,000,000, while generating consistent four-wall Adjusted EBITDA margins and returns on invested capital across a range of store sales volumes. We believe that the foregoing attributes have positioned us to deliver strong financial results, as evidenced by the following:

- Organic store unit growth of 42.3% over the past three fiscal years, representing a compound annual growth rate of 12.5%;
- Positive same store sales growth of 13.1% and 25.3% for fiscal years 2011 and 2012 and 7.2% for the 39 weeks ended November 2, 2013, including double-digit same store sales growth during 13 of the last 15 quarters;
- Strong and consistent new store performance, with an average four-wall Adjusted EBITDA margin of 13.8% in the first twelve months of operations and an average pre-tax payback period of less than one year excluding initial inventory cost (or an expected average pre-tax payback period of less than 2.5 years including initial inventory cost) for our eight most recently opened stores that have been open for a full twelve months;
- Net sales of \$656.5 million for the 53-week period ended November 2, 2013, representing an increase of 46.5% from net sales of \$448.2 million in the 52-week period ended October 27, 2012; and
- Income from operations of \$70.4 million for the 53-week period ended November 2, 2013, representing an increase of 92.9% from income from operations of \$36.5 million in the 52-week period ended October 27, 2012.

Our Industry

We compete in the large, growing and fragmented outdoor activities and sporting goods market, which we believe is currently underserved by full-line multi-activity retailers. We believe that U.S. outdoor activities and sporting goods retail sales totaled over \$50 billion in 2012. The 2011 U.S. Fish and Wildlife national survey, published once every five years, found that hunting and fishing participation increased 11% and 9%, respectively, for Americans ages 16 and older from 2006 to 2011. We believe growth in the U.S. outdoor activities and sporting goods market is driven by several key trends, including: an expanding demographic focused on healthy and active lifestyles; successful new product introductions centered around enhancing performance and enjoyment while participating in sporting and outdoor activities; and the resilience of consumer demand for purchases in these categories versus other discretionary categories.

Category sales within our total addressable market are highly fragmented across a wide variety of retail formats, including national chains, specialty retailers, regional department stores, mass discount stores and independents. Over the past decade, specialty retailers, such as us, have gained an increasing share of equipment sales at the expense of mass merchants, discount stores and independents, or “mom & pop” shops, which we believe comprise approximately 65% of the market. We believe this fragmentation within the total addressable market presents an attractive opportunity for us to continue to expand our store base and market share, as customers increasingly prefer a broad and appealing selection of locally relevant merchandise, competitive prices, high levels of customer service and one-stop shopping convenience.

Our Competitive Strengths

We believe the following competitive strengths allow us to capitalize on the growth opportunity within the outdoor activities and sporting goods market:

Differentiated Shopping Experience for the Seasoned Outdoor Veteran, the First-Time Participant and Every Enthusiast in Between. We place great emphasis on creating an inviting and engaging store experience for customers of all experience levels. For the seasoned outdoor veteran, we offer a one-stop, convenient store layout that promotes “easy-in, easy-out” access to replenish supplies, learn about local conditions and test products. We also serve first-time participants and casual users who are interested in enjoying the outdoors but enter our store without a clear sense for what equipment they need for their chosen activity. Our highly trained employees, who often are outdoor enthusiasts themselves and users of the products we sell, engage and interact with our customers in order to educate them and equip them with the right gear. Our sales associates draw upon both formal vendor sales training as well as first-hand experiences from using our products in local conditions. This selling approach allows us to offer a broad range of products and to deliver a shopping experience centered on the customer’s needs, which we believe results in increased customer loyalty, repeat visits and frequent referrals to other potential customers.

A customer’s shopping experience in our stores is further enhanced by a variety of helpful in-store offerings and features, including the issuance of hunting and fishing licenses, local fishing reports, availability of Sportsman’s News (our proprietary in-store newspaper), access to the Braggin’ Board (where customers can post photos of their outdoor adventures), indoor test ranges for archery equipment and displays of customer-owned taxidermy. In addition, we host a variety of in-store programs (such as “ladies night”), contests (such as Bucks & Bulls, a free-to-enter, big-game trophy contest) and a wide range of instructional seminars, from turkey frying to firearm operation and safety. These programs are all designed to help our customers connect with the outdoors and build the skill sets necessary to maximize enjoyment of their chosen activities. As a result, we believe our stores often serve as gathering spots where local enthusiasts can share stories, product knowledge and advice on outdoor recreation activities, which both drives traffic and fosters customer loyalty.

Locally Relevant Merchandise Serving the Comprehensive Needs of Outdoor Enthusiasts at a Compelling Value. We offer our customers an extensive and carefully selected assortment of branded, high-quality outdoor products at competitive prices. We accomplish this in three principal ways:

- **Locally Relevant Merchandise:** We carry over 70,000 SKUs on average in each store, out of a pool of approximately 130,000 total SKUs. Each store's merchandise is tailored to meet local conditions and consumer demand, taking into account seasonal requirements, regional game and fishing species, geographic diversity, weather patterns and key demographic factors, so that our customers have the right product, at the right time, for the right location.
- **Breadth and Mix of Product Assortment:** Our merchandise strategy is designed to serve a variety of purchasing occasions, from big-ticket items to replenishment activity, as well as to meet the wide-ranging needs of customers from first-time participants to seasoned outdoor veterans. We pride ourselves on carrying an extensive selection of branded, "good, better and best" hard goods at everyday low prices, including a broad array of in-stock consumable items. Approximately 36% of our unit sales and 21% of our dollar sales during the 53-week period ended November 2, 2013 were consumable goods, such as ammunition, bait, cleaning supplies, food, lures, propane and reloading supplies. We believe this pairing of product breadth and consumable goods appeals to a broad range of customers and drives both repeat traffic and increased average ticket value.
- **Strong Vendor Relationships:** We believe our vendors find our "brand-centric," high-service store concept to be unique among national specialty outdoor retailers. Our attractive store locations, consistent presentation of merchandise and thorough product training present a compelling opportunity for our vendors to offer their brands to local markets that historically have been served primarily by "mom & pop" retailers. As a result, we believe we are able to negotiate terms with our vendors that are similar to those offered to our principal competitors that are larger in size. We share the benefits of these strategic vendor relationships with our customers through better pricing and enhanced access to certain products that are limited in production.

Flexible and Adaptable Real Estate Strategy. We believe that our store model, combined with our rigorous site selection process, is uniquely customizable to address the needs of the different markets we serve. Our stores can vary in size from 30,000 to 65,000 gross square feet. We have had success with leasing existing sites as well as constructing new build-to-suit sites. Our flexible store model permits us to serve both large metropolitan areas, like Phoenix, Arizona, and smaller MSAs, like Soldotna, Alaska, while generating consistent four-wall Adjusted EBITDA margins and returns on invested capital across a range of store sales volumes. In small- to medium-sized markets, we are often able to establish ourselves as a standalone destination for our customers; in larger markets, we have successfully leveraged existing infrastructure to open stores in shopping plazas near complementary retailers, drawing upon existing foot traffic. We believe our low-cost, flexible model allows us to access both large and small markets more economically than many of our peers.

We maintain a disciplined approach to new store development and perform comprehensive market research before selecting a new site, including partnering with specialized, third-party local real estate firms. We select sites based on criteria such as local demographics, traffic patterns, density of hunting and fishing license holders in the area, abundance of hunting and fishing game and outdoor recreation activities, store visibility and accessibility, purchase data from our existing customer database and availability of attractive lease terms. We have established productive relationships with well-regarded commercial real estate firms and believe that we are a sought-after tenant, given the strength of the Sportsman's Warehouse brand, the high volume of customers that visit our stores and our flexible approach to site locations. As a result, we continue to have access to desirable retail sites on attractive terms.

Low Cost Operating Structure with Attractive and Replicable Store Economics. We strive to maintain a lower operating cost structure than our principal competitors, which allows us to serve small- to medium-sized markets as well as larger MSAs. We achieve this by exercising tight control over store-level expenses, real estate costs and corporate overhead. In addition, our growing store base, efficient, localized marketing spend and “no frills” warehouse store layout help us maintain comparatively low operating costs and provide us with the opportunity to achieve double-digit four-wall Adjusted EBITDA margins for stores in most new markets. Our typical new store requires an average net investment of approximately \$2.0 million, which includes store build-out (net of contributions from landlords) and pre-opening cash expenditures. In addition, we stock each new store with initial inventory at an average cost of approximately \$2.4 million. We target a pre-tax return on invested capital within one year after opening of over 50% excluding initial inventory cost (or over 20% including initial inventory cost), although our historical returns have often exceeded these thresholds. For fiscal year 2012, all of our stores that had been open for more than twelve months had double-digit Adjusted EBITDA margins. We believe this low-cost, capital-efficient approach also allows us to successfully serve markets that are not well-suited for the more capital-intensive store models of our principal competitors. Approximately 55% of our markets currently lack another nationally recognized outdoor specialty retailer, which we believe is a result of these dynamics.

Significant New Store Growth Opportunity within Existing and New Markets. We operate 47 stores across 18 states, primarily in the Western United States and Alaska, with a presence in these markets that is over three times that of the next largest outdoor retailer. We believe our leadership position in the Western United States, combined with our existing scalable infrastructure, provides a strong foundation for continued expansion within our core markets.

Passionate and Experienced Management Team with Proven Track Record. We are focused on delivering an unsurpassed shopping experience to anyone who enjoys the excitement of the outdoors. This passion and commitment is shared by team members throughout our entire organization, from senior management to the employees in our stores. Our senior management team has an average of 18 years of retail experience, with extensive capabilities across a broad range of disciplines, including merchandising, real estate, finance, compliance, store operations, supply chain management and information technology. We also pride ourselves on the long tenure of our more than 160 store managers and corporate employees, who have been with us for an average of over seven years.

Our Growth Strategy

We are pursuing a number of strategies designed to continue our growth and strong financial performance, including:

Expanding Our Store Base. We believe that our compelling new store economics and our track record of opening successful new stores provide a strong foundation for continued growth through new store openings in existing, adjacent and new markets. Over the last three fiscal years, we have opened an average of four stores per year. We currently plan to open six to eight new stores in fiscal year 2014. For the next several years thereafter, we intend to grow our store base at a rate of eight to twelve stores annually and expect that most of our near-term growth will occur within the Western United States. Our longer-term plans include expanding our store base to serve the outdoor needs of enthusiasts in markets across the United States. We believe our existing infrastructure, including distribution, information technology, loss prevention and employee training, is capable of sustaining 100 or more stores without significant additional capital investment.

Increasing Same Store Sales Growth. We are committed to increasing same store sales through a number of ongoing and new initiatives, including: expansion of our clothing offerings and private label program (such as

our new proprietary Rustic Ridge™ clothing line), our loyalty program, the implementation of kiosks and mobile point-of-sale in our stores and expansion of our “store-within-a-store” programs with major brands such as Carhartt, Columbia Sportswear and Under Armour. Each of these initiatives is designed to foster additional shopping convenience, add deeper merchandise selection and provide more product information to the customer. We believe these initiatives will drive additional traffic, improve conversion and increase average ticket value.

Continuing to Enhance Our Operating Margins. We believe that our planned expansion of our store base and growth in same store sales will result in improved Adjusted EBITDA margins as we take advantage of economies of scale in product sourcing and leverage our existing infrastructure, supply chain, corporate overhead and other fixed costs. Furthermore, we expect to increase our gross profit margin by expanding product offerings in our private label program, including our new proprietary Rustic Ridge™ clothing line, and continuing marketing initiatives in our higher-margin clothing and footwear departments.

Growing the Sportsman’s Warehouse Brand. We are committed to supporting our stores, product offerings and brand through a variety of marketing programs, private label offerings and corporate partnerships. Our marketing and promotional strategy includes coordinated print, digital and social media platforms. In-store, we offer a wide range of outdoor-themed activities and seminars, from turkey frying to firearm operation and safety. In addition, we sponsor community outreach and charity programs to more broadly connect with our local communities with the aim of promoting our brand and educating consumers. Finally, we are committed to local chapters of national, regional and local wildlife federations and other outdoor-focused organizations, such as Ducks Unlimited and the Rocky Mountain Elk Foundation. Many of our store managers and employees serve in senior positions in these organizations, which further strengthens our place as leaders in the local outdoor community. We believe all of these programs promote our mission of engaging with our customers and serving outdoor enthusiasts.

Risks Related to Our Business

Our business is subject to numerous risks and uncertainties, including those discussed in the section entitled “Risk Factors” beginning on page 13 of this prospectus. These risks include, but are not limited to, the following:

- our retail-based business model is impacted by general economic conditions, and economic and financial uncertainties may cause a decline in consumer spending;
- our concentration of stores in the Western United States makes us susceptible to adverse conditions in this region, which could affect our sales and cause our operating results to suffer;
- we operate in a highly fragmented and competitive industry and may face increased competition;
- we may not be able to anticipate, identify and respond to changes in consumer demands, including regional preferences, in a timely manner;
- we may not be successful in operating our new stores in any existing or new markets into which we expand; and
- current and future government regulations, in particular regulations relating to the sale of firearms and ammunition, may impact the demand for our products and our ability to conduct our business.

Our Principal Stockholder

Affiliates of Seidler Equity Partners III, L.P., which we collectively refer to as Seidler, initially invested in us in 2007 and, prior to the consummation of this offering, beneficially own all of our outstanding common

stock. Seidler does not own any of our restricted nonvoting common stock that will convert to common stock upon completion of this offering. Seidler is expected to beneficially own approximately % of our outstanding common stock following this offering, or % if the underwriters exercise in full their option to purchase additional shares. As a result, Seidler will continue to be able to exert significant influence over the election of all of our directors and the approval of significant corporate transactions that require the approval of our board of directors or stockholders.

Headquartered in Marina del Rey, California, Seidler is a private equity investment firm with almost \$2 billion in capital under management. Seidler focuses on established, middle-market businesses that are leaders in their markets. Seidler also has significant experience managing investments in consumer and retail businesses.

Corporate Reorganization

On December 4, 2013, our predecessor, previously a Utah corporation, reincorporated in Delaware by merging with its wholly owned subsidiary SWH Merger Sub, Inc., a Delaware corporation, with the Delaware corporation being the surviving entity and being renamed Sportsman's Warehouse Holdings, Inc. In this prospectus, references to "Holdings" will refer to the Utah corporation prior to the merger and the Delaware corporation after the merger.

We currently have two classes of capital stock: voting common stock and restricted nonvoting common stock. The restricted nonvoting common stock will automatically convert on a share-for-share basis into common stock upon completion of this offering. As a result, after completion of this offering, we will have only one class of capital stock, voting common stock, which we refer to as our common stock. Information in this prospectus regarding outstanding shares of common stock after this offering reflects the conversion of all of the outstanding shares of restricted nonvoting common stock into the same number of shares of common stock upon the completion of this offering.

Corporate Information

We are a holding company, and all of our business operations are conducted through our wholly owned subsidiaries, Sportsman's Warehouse, Inc., a Utah corporation, and Minnesota Merchandising Corporation, a Minnesota corporation, and their subsidiaries. Our principal executive office is located at 7035 South High Tech Drive, Midvale, Utah 84047, our telephone number is (801) 566-6681 and our fax number is (801) 304-4388. We maintain a website at www.sportsmanswarehouse.com. We do not incorporate the information contained on, or accessible through, our website into this prospectus, and you should not consider it part of this prospectus.

We operate under our trademark "Sportsman's Warehouse®" which is registered under applicable intellectual property laws. This prospectus contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus may appear without the ® or ™ 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 licensor to these trademarks and trade names. We do not intend our use or display of other companies' trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship by us of or of us by, any such companies.

Emerging Growth Company

The Jumpstart Our Business Startups Act, or the JOBS Act, was enacted on April 5, 2012 with the intention of encouraging capital formation in the United States and reducing the regulatory burden on newly public companies that qualify as emerging growth companies, or EGCs.

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We are an EGC within the meaning of the JOBS Act because we had total annual gross revenues of less than \$1 billion for fiscal year 2012. Because we qualify as an EGC, we have elected to comply with some of the reduced disclosure and other reporting requirements available to us in connection with our initial public offering and for a period up to the end of the fifth fiscal year after our initial public offering if we remain an EGC. We could cease to be an EGC earlier than this five-year period if our total annual gross revenues equal or exceed \$1 billion in a fiscal year, if we issue more than \$1 billion in non-convertible debt over a three-year period or if we become a “large accelerated filer” (which requires, among other things, the market value of our common stock held by non-affiliates to be at least \$700 million as of the last business day of our second fiscal quarter of any fiscal year). For further information, see “Risk Factors—We are an EGC within the meaning of the JOBS Act and we cannot be certain if the reduced reporting requirements applicable to EGCs will make our common stock less attractive to investors.”

The Offering

Common stock offered by us	shares.
Common stock offered by the selling stockholder	shares (or additional shares in full) shares if the underwriters exercise their option to purchase
Common stock to be outstanding immediately after this offering	shares.
Use of proceeds	<p>We estimate that we will receive net proceeds from this offering of approximately \$ million, assuming an initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and our estimated offering costs.</p> <p>We will not receive any proceeds from the sale of shares by the selling stockholder. For a sensitivity analysis as to the offering price and other information, see “Use of Proceeds.”</p> <p>We intend to use the net proceeds from this offering to pay a portion of the borrowings outstanding under our term loans, with any remaining proceeds to be used for general corporate purposes.</p>
Dividend policy	We currently expect to retain all available funds and future earnings, if any, for use in the operation and growth of our business and do not anticipate paying any cash dividends in the foreseeable future. See “Dividend Policy.”
Risk factors	Investing in our common stock involves a high degree of risk. You should carefully read the information set forth under “Risk Factors” beginning on page 13 of this prospectus, together with all of the other information set forth in this prospectus, before deciding to invest in shares of our common stock.
Proposed symbol for trading on	“ ”

Unless otherwise indicated, all information in this prospectus relating to the number of shares of our common stock to be outstanding immediately after this offering excludes:

- 521,760 shares of our common stock reserved for future issuance under our 2013 Performance Incentive Plan; and
- 418,240 shares of our common stock issuable upon the vesting of restricted stock units awarded under our 2013 Performance Incentive Plan, 25% of which will vest upon the closing of this offering.

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Unless otherwise indicated, all information in this prospectus assumes:

- the automatic conversion of all outstanding shares of our restricted nonvoting common stock into our common stock on a one-for-one basis, which will occur upon the closing of this offering;
- no exercise of the underwriters' option to purchase additional shares; and
- the adoption of our amended and restated certificate of incorporation and our amended and restated bylaws, to be effective upon completion of this offering.

Summary Consolidated Financial and Operating Data

The following table sets forth our summary consolidated financial information and operating data as of the dates and for the periods indicated. Our summary consolidated statements of income data for the fiscal years ended February 2, 2013 and January 28, 2012 and the summary consolidated balance sheet data as of February 2, 2013 and January 28, 2012 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. Our summary consolidated statements of income data for the fiscal year ended January 29, 2011 and the summary consolidated balance sheet data as of January 29, 2011 have been derived from our consolidated financial statements, which are not included in this prospectus. The summary consolidated statements of income data for each of the 39 weeks ended November 2, 2013 and October 27, 2012 and the summary consolidated balance sheet data as of November 2, 2013 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The summary consolidated balance sheet data as of October 27, 2012 has been derived from our unaudited consolidated financial statements not included in this prospectus.

We operate on a fiscal calendar which, in a given fiscal year, consists of the 52- or 53-week period ending on the Saturday closest to January 31st. The reporting periods contained in our audited consolidated financial statements included in this prospectus contain 53 weeks of operations in fiscal year 2012, which ended February 2, 2013 and which we refer to in this prospectus as fiscal year 2012, and 52 weeks of operations in fiscal year 2011, which ended January 28, 2012 and which we refer to in this prospectus as fiscal year 2011. We refer in this prospectus to the 52 weeks of operations, which ended January 29, 2011, as fiscal year 2010. Our interim reporting periods in the unaudited consolidated financial statements included in this prospectus consist of the 39-week periods ended November 2, 2013 and October 27, 2012.

The historical results presented below are not necessarily indicative of the results to be expected for any future period, and the results for any interim period may not necessarily be indicative of the results that may be expected for a full year. The following summaries of our consolidated financial and operating data for the periods presented should be read in conjunction with “Risk Factors,” “Selected Consolidated Financial and Operating Data,” “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes, which are included elsewhere in this prospectus.

	Thirty-Nine Weeks Ended		Fiscal Year Ended		
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012	January 29, 2011
(in thousands, except share and per share amounts)					
Consolidated Statements of Income Data:					
Net sales	\$ 467,435	\$ 337,927	\$ 526,942	\$ 376,551	\$ 311,363
Cost of goods sold	317,089	233,776	364,326	259,354	215,069
Gross profit	150,346	104,151	162,616	117,197	96,294
Selling, general and administrative expenses	106,641	77,029	109,408	89,659	81,838
Bankruptcy-related expenses (benefit)(1)	55	385	(263)	919	3,536
Income from operations	43,650	26,737	53,471	26,619	10,920
Interest expense	19,894	3,135	6,321	4,392	5,676
Income before income taxes	23,756	23,602	47,150	22,227	5,244
Income tax expense (benefit)	9,417	9,498	19,076	(11,467)	—
Net income	\$ 14,339	\$ 14,104	\$ 28,074	\$ 33,694	\$ 5,244
Earnings per share:					
Basic	\$ 1.24	\$ 1.22	\$ 2.42	\$ 3.01	\$ 0.54
Diluted	\$ 1.24	\$ 1.22	\$ 2.42	\$ 3.01	\$ 0.54
Weighted average shares outstanding:					
Basic shares	11,578,103	11,578,103	11,578,103	11,197,589	9,720,014
Diluted shares	11,578,103	11,578,103	11,578,103	11,197,589	9,720,014

	As of		As of		
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012	January 29, 2011
(in thousands except percentages, number of stores and square foot data)					
Consolidated Balance Sheet Data:					
Total current assets	\$ 217,158	\$ 152,413	\$ 143,511	\$ 111,911	\$ 92,649
Total assets	264,933	179,719	166,563	155,026	122,677
Long-term debt, net of discount	288,910	41,911	124,808	59,485	69,576
Total liabilities	393,563	136,284	208,407	104,694	106,266
Total stockholders' (deficit) equity	(128,570)	43,436	(41,844)	50,332	16,411
Total liabilities and stockholders' equity	264,993	179,719	166,563	155,026	122,677
Other Data:					
Adjusted EBITDA(2)	\$ 51,462	\$ 30,994	\$ 59,039	\$ 31,546	\$ 22,751
Adjusted EBITDA margin(2)	11.0%	9.2%	11.2%	8.4%	7.3%
Number of stores open at end of period	47	33	33	29	26
Total selling square feet at end of period	1,668,227	1,207,920	1,207,920	1,063,330	957,832
Same store sales growth for period(3)	7.2%	16.2%	25.3%	13.1%	21.0%

- (1) On March 21, 2009, Sportsman's Warehouse Holdings, Inc. and its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, seeking to reorganize the business under the provisions of the Bankruptcy Code. The plan of reorganization under the Bankruptcy Code was confirmed by the United States Bankruptcy Court for the District of Delaware on July 30, 2009 and became effective when all material conditions of the plan of reorganization were satisfied on August 14, 2009. We incurred certain costs related to our restructuring and emergence from Chapter 11 bankruptcy and included a liability as part of the reorganization value at August 14, 2009, the date of emergence from bankruptcy. Bankruptcy-related expenses are those amounts that are greater than the initial estimated restructuring costs, whereas bankruptcy-related benefits are those amounts that are less than the initial estimated costs. They are expensed as incurred.
- (2) Adjusted EBITDA has been presented in this prospectus as a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP. We define Adjusted EBITDA as net income plus interest expense, income tax expense (benefit), depreciation and amortization, bankruptcy-related expenses (benefit) and certain one-time, non-recurring expenses such as expenses related to the acquisition of ten stores in fiscal year 2013, start-up costs for our e-commerce platform and pre-opening expenses. Adjusted EBITDA margin means, for any period, the Adjusted EBITDA for that period divided by the net sales for that period.

Adjusted EBITDA and Adjusted EBITDA margin are included in this prospectus because they are key metrics used by management and our board of directors to assess our financial performance. Adjusted EBITDA and Adjusted EBITDA margin are frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. In addition to assessing our financial performance, we use Adjusted EBITDA and Adjusted EBITDA margin as additional measurement tools for purposes of business decision-making, including evaluating store performance, developing budgets and managing expenditures.

Adjusted EBITDA is not a GAAP measure of our financial performance or liquidity and should not be considered as an alternative to net income as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and it should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect certain cash requirements such as tax payments, debt service requirements, capital expenditures, store openings and certain other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures or future requirements for capital expenditures or contractual commitments. In evaluating Adjusted EBITDA, you should be aware that, in the future, we will incur expenses that are the same as or similar to some of the adjustments reflected in this presentation, such as income tax expense (benefit), interest expense, depreciation and amortization and pre-opening expenses. Our presentation of Adjusted EBITDA should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by relying on our GAAP results in addition to using Adjusted EBITDA supplementally. Our measures of Adjusted EBITDA are not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation.

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A reconciliation of net income to Adjusted EBITDA is set forth below:

	Thirty-Nine Weeks Ended		Fiscal Year Ended		
	November 2, 2013	October 27, 2012	February 2, 2013 (in thousands)	January 28, 2012	January 29, 2011
Net income	\$ 14,339	\$ 14,104	\$ 28,074	\$ 33,694	\$ 5,244
Plus:					
Income tax expense (benefit)	9,417	9,498	19,076	(11,467)	—
Interest expense	19,894	3,135	6,321	4,392	5,676
Depreciation and amortization	4,355	2,671	3,431	3,108	2,448
Bankruptcy-related expenses (benefit)(a)	55	385	(263)	919	3,536
Acquisition expenses(b)	2,331	—	959	—	—
E-commerce start-up costs	—	—	—	126	100
Pre-opening expenses(c)	1,071	1,201	1,441	774	322
Adjusted EBITDA	<u>\$ 51,462</u>	<u>\$ 30,994</u>	<u>\$ 59,039</u>	<u>\$ 31,546</u>	<u>\$ 22,751</u>

- (a) We incurred certain costs related to our restructuring and emergence from Chapter 11 bankruptcy and included a liability as part of the reorganization value at August 14, 2009, the date of emergence from bankruptcy. Bankruptcy-related expenses are those amounts that are greater than the initial estimated restructuring costs, whereas bankruptcy-related benefits are those amounts that are less than the initial estimated costs. They are expensed as incurred.
- (b) Acquisition expenses for the 39 weeks ended November 2, 2013 relate to the costs associated with the acquisition of our ten previously operated stores in Montana, Oregon and Washington. Acquisition expenses for fiscal year 2012 relate to legal and consulting expenses related to potential merger and acquisition activity.
- (c) Pre-opening expenses include one-time non-recurring expenses incurred in the preparation and opening of a new store location, such as payroll, travel and supplies, but do not include the cost of the initial inventory or capital expenditures required to open a location. For the periods presented, these pre-opening costs were not concentrated in any quarter.
- (3) Net sales from a store are included in same store sales on the first day of the 13th full month following the store's opening or acquisition by us. We exclude net sales from e-commerce from our calculation of same store sales, and for fiscal years consisting of 53 weeks, we exclude net sales during the 53rd week from our calculation of same store sales. The figures shown represent growth over the corresponding period in the prior fiscal year.

RISK FACTORS

An investment in our common stock involves a high degree of risk. You should carefully consider the risks described below, together with all of the other information included in this prospectus, before making a decision to invest in shares of our common stock. Any of the following risks could materially and adversely affect our business, financial condition, results of operation, cash flow and prospects. As a result, the trading price of our common stock could decline, and you could lose all or part of your investment in our common stock.

Risks Related to Our Business

Our retail-based business model is impacted by general economic conditions in our markets, and ongoing economic and financial uncertainties may cause a decline in consumer spending that may adversely affect our business, operations, liquidity, financial results and stock price.

As a retail business that depends on consumer discretionary spending, we may be adversely affected if our customers reduce, delay or forego their purchases of our products as a result of continued job losses, bankruptcies, higher consumer debt and interest rates, higher energy and fuel costs, reduced access to credit, falling home prices, lower consumer confidence, uncertainty or changes in tax policies and tax rates and uncertainty due to national or international security concerns. Decreases in same store sales, customer traffic or average ticket sales negatively affect our financial performance, and a prolonged period of depressed consumer spending could have a material adverse effect on our business. Promotional activities and decreased demand for consumer products could affect profitability and margins. In addition, adverse economic conditions may result in an increase in our operating expenses due to, among other things, higher costs of labor, energy, equipment and facilities. Due to recent fluctuations in the U.S. economy, our sales, operating and financial results for a particular period are difficult to predict, making it difficult to forecast results to be expected in future periods. Any of the foregoing factors could have a material adverse effect on our business, results of operations and financial condition and could adversely affect our stock price.

Our concentration of stores in the Western United States makes us susceptible to adverse conditions in this region.

The majority of our stores are located in the Western United States, comprising Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. As a result, our operations are more susceptible to regional factors than the operations of more geographically diversified competitors. These factors include regional economic and weather conditions, natural disasters, demographic and population changes and governmental regulations in the states in which we operate. Environmental changes and disease epidemics affecting fish or game populations in any concentrated region may also affect our sales. If a region with a concentration of our stores were to suffer an economic downturn or other adverse event, our operating results could suffer.

Competition in the outdoor activities and sporting goods market could reduce our net sales and profitability.

The outdoor activities and sporting goods market is highly fragmented and competitive. We compete directly or indirectly with the following types of companies:

- independent, local specialty stores, often referred to as “mom & pops”;
- other specialty retailers that compete with us across a significant portion of our merchandising categories through retail store, catalog or e-commerce businesses, such as Bass Pro Shops, Cabela’s and Gander Mountain;
- large-format sporting goods stores and chains, such as Academy Sports + Outdoors and Dick’s Sporting Goods; and

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- mass merchandisers, warehouse clubs, discount stores, department stores and online retailers, such as Amazon, Target and Wal-Mart.

A few of our competitors have a larger number of stores, and some of them have a greater market presence, name recognition and financial, distribution, marketing and other resources than we have. In addition, if our competitors reduce their prices, we may have to reduce our prices in order to compete, which could harm our margins. Furthermore, some of our competitors may build new stores in or near our existing locations. As a result of this competition, we may need to spend more on advertising and promotion. Some of our mass merchandising competitors, such as Wal-Mart, do not currently compete in many of the product lines we offer. However, if these competitors were to begin offering a broader array of competing products, or if any of the other factors listed above occurred, our net sales could be reduced or our costs could be increased, resulting in reduced profitability.

If we fail to anticipate changes in consumer demands, including regional preferences, in a timely manner, our operating results could suffer.

Our products appeal to consumers who regularly hunt, camp, fish and participate in various shooting sports. The preferences of these consumers cannot be predicted with certainty and are subject to change. In addition, due to different game and fishing species and varied weather conditions found in different markets, it is critical that our stores stock products appropriate for their markets. Our success depends on our ability to identify product trends in a variety of markets as well as to anticipate, gauge and quickly react to changing consumer demands in these markets. We usually must order merchandise well in advance of the applicable selling season. The extended lead times for many of our purchases may make it difficult for us to respond rapidly to new or changing product trends or changes in prices. If we misjudge either the market for our products or our customers' purchasing habits, our net sales may decline significantly and we may not have sufficient quantities of merchandise to satisfy customer demand or we may be required to mark down excess inventory, either of which would result in lower profit margins and harm our operating results.

Our expansion into new, unfamiliar markets presents increased risks that may prevent us from being profitable in these new markets.

We intend to expand by opening stores in new markets, which may include small- to medium-sized markets and which may not have existing national outdoor sports retailers. As a result, we may have less familiarity with local customer preferences and encounter difficulties in attracting customers due to a reduced level of customer familiarity with our brand. Other factors that may impact our ability to open stores in new markets and operate them profitably, many of which are beyond our control, include:

- our ability to identify suitable locations, including our ability to gather and assess demographic and marketing data to determine consumer demand for our products in the locations we select;
- our ability to negotiate favorable lease agreements;
- our ability to properly assess the profitability of potential new retail store locations;
- our ability to secure required governmental permits and approvals;
- our ability to hire and train skilled store operating personnel, especially management personnel;
- the availability of construction materials and labor and the absence of significant construction delays or cost overruns;
- our ability to provide a satisfactory mix of merchandise that is responsive to the needs of our customers living in the areas where new retail stores are built;
- our ability to supply new retail stores with inventory in a timely manner;

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- our competitors building or leasing stores near our retail stores or in locations we have identified as targets for a new retail store;
- regional economic and other factors in the geographies in which we expand; and
- general economic and business conditions affecting consumer confidence and spending and the overall strength of our business.

Once we decide on a new market and find a suitable location, any delays in opening new stores could impact our financial results. It is possible that events, such as delays in the entitlements process or construction delays caused by permitting or licensing issues, material shortages, labor issues, weather delays or other acts of god, discovery of contaminants, accidents, deaths or injunctions, could delay planned new store openings beyond their expected dates or force us to abandon planned openings altogether. In addition, new retail stores typically generate lower operating margins because pre-opening expenses are expensed as they are incurred and because fixed costs, as a percentage of net sales, are higher. Furthermore, the substantial management time and resources which our retail store expansion strategy requires may result in disruption to our existing business operations, which may decrease our profitability.

As a result of the above factors, we cannot assure you that we will be successful in operating our stores in new markets on a profitable basis.

Our planned growth may strain our business infrastructure, which could adversely affect our operations and financial condition.

Over time, we expect to expand the size of our retail store network in new and existing markets. As we grow, we will face the risk that our existing resources and systems, including management resources, accounting and finance personnel and operating systems, may be inadequate to support our growth. We cannot assure you that we will be able to retain the personnel or make the changes in our systems that may be required to support our growth. Failure to secure these resources and implement these systems on a timely basis could have a material adverse effect on our operating results. In addition, hiring additional personnel and implementing changes and enhancements to our systems will require capital expenditures and other increased costs that could also have a material adverse impact on our operating results.

Our expansion in new markets may also create new distribution and merchandising challenges, including strain on our distribution facility, an increase in information to be processed by our management information systems and diversion of management attention from existing operations towards the opening of new stores and markets. To the extent that we are not able to meet these additional challenges, our sales could decrease and our operating expenses could increase.

Our ability to operate and expand our business and to respond to changing business and economic conditions will depend on the availability of adequate capital.

The operation of our business, the rate of our expansion and our ability to respond to changing business and economic conditions depend on the availability of adequate capital, which in turn depends on cash flow generated by our business and, if necessary, the availability of equity or debt capital. We will also need sufficient cash flow to meet our obligations under our existing debt agreements. We paid total cash interest on our credit facilities of \$4.0 million and \$5.0 million in fiscal year 2012 and fiscal year 2011, respectively, and our term loans require us to make quarterly principal payments of \$0.6 million.

The amount that we are able to borrow and have outstanding under our revolving credit facility at any given time is subject to a borrowing base calculation, which is a contractual calculation equal to (1) the lesser of (a) 90% of the net orderly liquidation value of our eligible inventory, and (b) 75% of the lower of cost or market value of our eligible inventory, plus (2) 90% of the eligible accounts receivable, less certain reserves against

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outstanding gift cards, layaway deposits and amounts outstanding under commercial letters of credit, each term as defined in the credit agreement for the revolving credit facility. As a result, our ability to borrow is subject to certain risks and uncertainties, such as a deterioration in the quality of our inventory (which is the largest asset in our borrowing base), a decline in sales activity and the collection of our receivables, which could reduce the funds available to us under our revolving credit facility.

We cannot assure you that our cash flow from operations or cash available under our revolving credit facility will be sufficient to meet our needs. If we are unable to generate sufficient cash flows from operations in the future, and if availability under our revolving credit facility is not sufficient, we may have to obtain additional financing. If we obtain additional capital by issuing equity, the interests of our existing stockholders will be diluted. If we incur additional indebtedness, that indebtedness may contain significant financial and other covenants that may significantly restrict our operations. We cannot assure you that we could obtain refinancing or additional financing on favorable terms or at all.

Our revolving credit facility and term loans contain restrictive covenants that may impair our ability to access sufficient capital and operate our business.

Our revolving credit facility and term loans contain various provisions that limit our ability to, among other things:

- incur, create or assume certain indebtedness;
- create, incur or assume certain liens;
- make certain investments;
- make sales, transfers and dispositions of certain property;
- undergo certain fundamental changes, including certain mergers, liquidations and consolidations;
- purchase, hold or acquire certain investments; and
- declare or make certain dividends and distributions.

These covenants may affect our ability to operate and finance our business as we deem appropriate. If we are unable to meet our obligations as they become due or to comply with various financial covenants contained in the instruments governing our current or future indebtedness, this could constitute an event of default under the instruments governing our indebtedness.

If there were an event of default under the instruments governing our indebtedness, the holders of the affected indebtedness could declare all of that indebtedness immediately due and payable, which, in turn, could cause the acceleration of the maturity of all of our other indebtedness. We may not have sufficient funds available, or we may not have access to sufficient capital from other sources, to repay any accelerated debt. Even if we could obtain additional financing, the terms of the financing may not be favorable to us. In addition, substantially all of our assets are subject to liens securing our revolving credit facility and term loans. If amounts outstanding under the revolving credit facility or term loans were accelerated, our lenders could foreclose on these liens and we could lose substantially all of our assets. Any event of default under the instruments governing our indebtedness could have a material adverse effect on our business, financial condition and results of operations.

Our same store sales may fluctuate and may not be a meaningful indicator of future performance.

Our same store sales may vary from quarter to quarter, and an unanticipated decline in net sales or same store sales may cause the price of our common stock to fluctuate significantly. A number of factors have historically affected, and will continue to affect, our same store sales results, including:

- changes or anticipated changes to regulations related to some of the products we sell;
- consumer preferences, buying trends and overall economic trends;

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- our ability to identify and respond effectively to local and regional trends and customer preferences;
- our ability to provide quality customer service that will increase our conversion of shoppers into paying customers;
- competition in the regional market of a store;
- atypical weather;
- changes in our product mix; and
- changes in pricing and average ticket sales.

Our operating results are subject to seasonal fluctuations.

We experience moderate seasonal fluctuations in our net sales and operating results. On average over the last three fiscal years, we have generated 32.1% and 26.2% of our annual net sales in the third and fourth fiscal quarters, respectively, which includes the holiday selling season as well as the opening of the fall hunting season. We incur additional expenses in the third and fourth fiscal quarters due to higher purchase volumes and increased staffing in our stores. If, for any reason, we miscalculate the demand for our products or our product mix during the third or fourth fiscal quarters, our sales in these quarters could decline, resulting in higher labor costs as a percentage of sales, lower margins and excess inventory, which could cause our annual operating results to suffer and our stock price to decline. Due to our seasonality, the possible adverse impact from other risks associated with our business, including atypical weather, consumer spending levels and general business conditions, is potentially greater if any such risks occur during our peak sales seasons.

We rely on a single distribution center for our business, and if there is a natural disaster or other serious disruption at such facility, we may be unable to deliver merchandise effectively to our stores or customers.

We rely on a single distribution center in Salt Lake City, Utah for our business. Any natural disaster or other serious disruption at such facility due to fire, tornado, earthquake, flood or any other cause could damage our on-site inventory or impair our ability to use such distribution center. While we maintain business interruption insurance, as well as general property insurance, the amount of insurance coverage may not be sufficient to cover our losses in such an event. Any of these occurrences could impair our ability to adequately stock our stores or fulfill customer orders and harm our operating results.

Any disruption of the supply of products from our vendors could have an adverse impact on our net sales and profitability.

We cannot predict when, or the extent to which, we will experience any disruption in the supply of products from our vendors. Any such disruption could negatively impact our ability to market and sell our products and serve our customers, which could adversely impact our net sales and profitability.

We depend on merchandise purchased from our vendors to obtain products for our stores. We have no contractual arrangements providing for continued supply from our key vendors, and our vendors may discontinue selling to us at any time. Changes in commercial practices of our key vendors or manufacturers, such as changes in vendor support and incentives or changes in credit or payment terms, could also negatively impact our results. If we lose one or more key vendors or are unable to promptly replace a vendor that is unwilling or unable to satisfy our requirements with a vendor providing equally appealing products at comparable prices, we may not be able to offer products that are important to our merchandise assortment.

We also are subject to risks, such as the price and availability of raw materials and fabrics, labor disputes, union organizing activity, strikes, inclement weather, natural disasters, war and terrorism and adverse general economic and political conditions, that might limit our vendors' ability to provide us with quality merchandise on

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a timely and cost-efficient basis. We may not be able to develop relationships with new vendors, and products from alternative sources, if any, may be of a lesser quality and more expensive than those we currently purchase. Any delay or failure in offering products to our customers could have a material adverse impact on our net sales and profitability.

Political and economic uncertainty and unrest in foreign countries where our merchandise vendors are located and trade restrictions upon imports from these foreign countries could adversely affect our ability to source merchandise and operating results.

In fiscal year 2012, approximately 1.3% of our merchandise was imported directly from vendors located in foreign countries, with a substantial portion of the imported merchandise being obtained directly from vendors in China and El Salvador. In addition, we believe that a significant portion of our domestic vendors obtain their products from foreign countries that may also be subject to political and economic uncertainty. We are subject to risks and uncertainties associated with changing economic, political and other conditions in foreign countries where our vendors are located, such as:

- increased import duties, tariffs, trade restrictions and quotas;
- work stoppages;
- economic uncertainties;
- adverse foreign government regulations;
- wars, fears of war and terrorist attacks and organizing activities;
- adverse fluctuations of foreign currencies;
- natural disasters; and
- political unrest.

We cannot predict when, or the extent to which, the countries in which our products are manufactured will experience any of the above events. Any event causing a disruption or delay of imports from foreign locations would likely increase the cost or reduce the supply of merchandise available to us and would adversely affect our operating results.

In addition, trade restrictions, including increased tariffs or quotas, embargoes, safeguards and customs restrictions against clothing items, as well as U.S. or foreign labor strikes, work stoppages or boycotts could increase the cost or reduce the supply of merchandise available to us or may require us to modify our current business practices, any of which could hurt our profitability.

Finally, potential changes in federal restrictions on the importation of firearms and ammunition products could affect our ability to acquire certain popular brands of firearms and ammunition products from importers and wholesalers, which could negatively impact our net sales until replacements in the United States can be obtained, if at all.

A failure in our e-commerce operations could disrupt our business and lead to reduced sales and growth prospects and reputational damage.

Our e-commerce business is an important element of our brand and relationship with our customers, and we expect it to continue to grow. In addition to changing consumer preferences and shifting traffic patterns and buying trends in e-commerce, we are vulnerable to additional risks and uncertainties associated with e-commerce sales, including rapid changes in technology, website downtime and other technical failures, security breaches, consumer privacy concerns, changes in state tax regimes and government regulation of internet activities. Our failure to successfully respond to these risks and uncertainties could reduce our e-commerce sales, increase our

costs, diminish our growth prospects and damage our brand, which could negatively impact our results of operations and stock price.

In addition, there is no guarantee that we will be able to expand our e-commerce business. Many of our competitors already have e-commerce businesses that are substantially larger and more developed than ours, which places us at a competitive disadvantage. In addition, there are regulatory restrictions on the sale of approximately 30% of our product offerings, such as ammunition, certain cutlery, firearms, propane and reloading powder. If we are unable to expand our e-commerce business, our growth plans will suffer and the price of our common stock could decline.

We do not collect sales taxes in some jurisdictions, which could result in substantial tax liabilities and cause our future e-commerce sales to decrease.

An increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out-of-state retailers. We believe that these initiatives are inconsistent with the United States Supreme Court's holding that states, absent congressional legislation, may not impose tax collection obligations on out-of-state e-commerce businesses unless the out-of-state e-commerce business has nexus with the state. A successful assertion by one or more states requiring us to collect taxes where we do not do so could result in substantial tax liabilities, including for past sales, as well as penalties and interest. The imposition by state governments of sales tax collection obligations on out-of-state e-commerce businesses who participate in e-commerce could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on our competitors and decrease our future e-commerce sales, which could have a material adverse impact on our business and results of operations.

We rely on a single third-party provider to maintain and operate certain aspects of our e-commerce operations, and disruptions with the provider or in the services it provides to us could harm our reputation, operations or financial results.

We have contracted with a single third party to operate and host our website at www.sportsmanswarehouse.com and provide related fulfillment and customer service. We rely on that party's operational, privacy and security procedures and controls to operate and host our e-commerce business.

Failure by this third party to adequately service these aspects of our e-commerce business could result in a prolonged disruption that affects our customers' ability to use our website or receive product in a timely manner. As a result, we may lose customer sales and experience increased costs, which could harm our reputation, operations or financial results.

Current and future government regulations, in particular regulations relating to the sale of firearms and ammunition, may negatively impact the demand for our products and our ability to conduct our business.

We operate in a complex regulatory and legal environment that could negatively impact the demand for our products and expose us to compliance and litigation risks, which could materially affect our operations and financial results. These laws may change, sometimes significantly, as a result of political, economic or social events. Some of the federal, state or local laws and regulations that affect our business and demand for our products include:

- federal, state or local laws and regulations or executive orders that prohibit or limit the sale of certain items we offer, such as firearms, black powder firearms, ammunition, bows, knives and similar products;
- the Bureau of Alcohol, Tobacco, Firearms and Explosives, or the ATF, regulations, audit and regulatory policies that impact the process by which we sell firearms and ammunition and similar policies of state agencies that have concurrent jurisdiction, such as the California Department of Justice;

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- laws and regulations governing hunting and fishing;
- laws and regulations relating to the collecting and sharing of non-public customer information;
- laws and regulations relating to consumer products, product liability or consumer protection, including regulation by the Consumer Product Safety Commission and similar state regulatory agencies;
- laws and regulations relating to the manner in which we advertise, market or sell our products;
- labor and employment laws, including wage and hour laws;
- U.S. customs laws and regulations pertaining to proper item classification, quotas and the payment of duties and tariffs; and
- Federal Trade Commission, or FTC, regulations governing the manner in which orders may be solicited and prescribing other obligations in fulfilling orders and consummating sales.

Over the past several years, bills have been introduced in the United States Congress that would restrict or prohibit the manufacture, transfer, importation or sale of certain calibers of handgun ammunition, impose a tax and import controls on bullets designed to penetrate bullet-proof vests, impose a special occupational tax and registration requirements on manufacturers of handgun ammunition and increase the tax on handgun ammunition in certain calibers. Because we carry these products, such legislation could, depending on its scope, materially harm our sales.

Additionally, state and local governments have proposed laws and regulations that, if enacted, would place additional restrictions on the manufacture, transfer, sale, purchase, possession and use of firearms, ammunition and shooting-related products. For example, in response to the Sandy Hook Elementary shooting in Newtown, Connecticut and other incidents in the United States, several states, such as Colorado, Connecticut, Maryland, New Jersey, and New York, have enacted laws and regulations that limit access to and sale of certain firearms in ways more restrictive than federal laws. Other state or local governmental entities may continue to explore similar legislative or regulatory restrictions that could prohibit the manufacture, sale, purchase, possession or use of firearms and ammunition. In New York and Connecticut, mandatory screening of ammunition purchases is now required. In addition, California and the District of Columbia have adopted requirements for microstamping (that is, engraving the handgun's serial number on the firing pin of new handguns), and at least seven other states and the United States Congress have introduced microstamping legislation for certain firearms. Lastly, some states prohibit the sale of guns without internal or external locking mechanisms, and several states are considering mandating certain design features on safety grounds, most of which would be applicable only to handguns. Other state or local governmental entities may also explore similar legislative or regulatory initiatives that may further restrict the manufacture, sale, purchase, possession or use of firearms, ammunition and shooting-related products.

The regulation of firearms, ammunition and shooting-related products may become more restrictive in the future. Changes in these laws and regulations or additional regulation, particularly new laws or increased regulations regarding sales and ownership of firearms and ammunition, could cause the demand for and sales of our products to decrease and could materially adversely impact our net sales and profitability. Sales of firearms represent a significant percentage of our net sales and are critical in drawing customers to our stores. A substantial reduction in our sales or margins on sales of firearms and firearm related products due to the establishment of new regulations could harm our operating results. Moreover, complying with increased or changed regulations could cause our operating expenses to increase.

We may incur costs from litigation relating to products that we sell, particularly firearms and ammunition, which could adversely affect our net sales and profitability.

We may incur damages due to lawsuits relating to products we sell, including lawsuits relating to firearms, ammunition, tree stands and archery equipment. We may incur losses due to lawsuits, including potential class actions, relating to our performance of background checks on firearms purchases and compliance with other sales

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laws as mandated by state and federal law. We may also incur losses from lawsuits relating to the improper use of firearms or ammunition sold by us, including lawsuits by municipalities or other organizations attempting to recover costs from manufacturers and retailers of firearms and ammunition. Our insurance coverage and the insurance provided by our vendors for certain products they sell to us may be inadequate to cover claims and liabilities related to products that we sell. In addition, claims or lawsuits related to products that we sell, or the unavailability of insurance for product liability claims, could result in the elimination of these products from our product line, thereby reducing net sales. If one or more successful claims against us are not covered by or exceed our insurance coverage, or if insurance coverage is no longer available, our available working capital may be impaired and our operating results could be materially adversely affected. Even unsuccessful claims could result in the expenditure of funds and management time and could have a negative impact on our profitability and on future premiums we would be required to pay on our insurance policies.

If we fail to maintain the strength and value of our brand, our net sales are likely to decline.

Our success depends on the value and strength of the Sportsman's Warehouse brand. The Sportsman's Warehouse name is integral to our business as well as to the implementation of our strategies for expanding our business. Maintaining, promoting and positioning our brand will depend largely on the success of our marketing and merchandising efforts and our ability to provide high quality merchandise and a consistent, high quality customer experience. Our brand could be adversely affected if we fail to achieve these objectives or if our public image or reputation were to be tarnished by negative publicity. Any of these events could result in decreases in net sales.

Our inability or failure to protect our intellectual property could have a negative impact on our operating results.

Our trademarks, service marks, copyrights, patents, trade secrets, domain names and other intellectual property are valuable assets that are critical to our success. The unauthorized reproduction or other misappropriation of our intellectual property could diminish the value of our brands or goodwill and cause a decline in our net sales. Any infringement or other intellectual property claim made against us, whether or not it has merit, could be time-consuming, result in costly litigation, cause product delays or require us to enter into royalty or licensing agreements. As a result, any such claim could have a material adverse effect on our operating results.

Unauthorized disclosure of sensitive or confidential customer information could harm our business and standing with our customers.

The protection of our customer, employee and company data is critical to us. We rely on commercially available systems, software, tools and monitoring to provide security for processing, transmission and storage of confidential customer information, such as payment card and personally identifiable information. Despite the security measures we have in place, our facilities and systems, and those of our third-party service providers, may be vulnerable to security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors or other similar events. Any security breach involving the misappropriation, loss or other unauthorized disclosure of confidential information, whether by us or our vendors, could damage our reputation, expose us to risk of litigation and liability, disrupt our operations and harm our business.

Our computer hardware and software systems are vulnerable to damage that could harm our business.

Our success, in particular our ability to successfully manage inventory levels, largely depends upon the efficient operation of our computer hardware and software systems. We use management information systems to track inventory information at the store level, communicate customer information and aggregate daily sales, margin and promotional information. These systems are vulnerable to damage or interruption from:

- fire, flood, tornado and other natural disasters;
- power loss, computer system failures, internet and telecommunications or data network failures, operator negligence, improper operation by or supervision of employees, physical and electronic loss of data or security breaches, misappropriation and similar events;

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- hacking by third parties and computer viruses; and
- upgrades, installations of major software releases and integration with new systems.

Any failure that causes an interruption in our systems processing could disrupt our operations and result in reduced sales. We have centralized the majority of our computer systems in our corporate office. It is possible that an event or disaster at our corporate office could materially and adversely affect the performance of our company and the ability of each of our stores to operate efficiently.

Our private brand offerings expose us to various risks.

We expect to continue to grow our exclusive private brand offerings through a combination of brands that we own and brands that we license from third parties. We have invested in our development and procurement resources and marketing efforts relating to these private brand offerings. Although we believe that our private brand products offer value to our customers at each price point and provide us with higher gross margins than comparable third-party branded products we sell, the expansion of our private brand offerings also subjects us to certain specific risks in addition to those discussed elsewhere in this section, such as:

- potential mandatory or voluntary product recalls;
- our ability to successfully protect our proprietary rights (including defending against counterfeit, knock offs, grey-market, infringing or otherwise unauthorized goods);
- our ability to successfully navigate and avoid claims related to the proprietary rights of third parties;
- our ability to successfully administer and comply with obligations under license agreements that we have with the licensors of brands, including, in some instances, certain minimum sales requirements that, if not met, could cause us to lose the licensing rights or pay damages; and
- other risks generally encountered by entities that source, sell and market exclusive branded offerings for retail.

An increase in sales of our private brands may also adversely affect sales of our vendors' products, which may, in turn, adversely affect our relationship with our vendors. 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.

If we lose key management or are unable to attract and retain the talent required for our business, our operating results and financial condition could suffer.

Our performance depends largely on the leadership efforts and abilities of our executive officers and other key employees. We have entered into an employment agreement with John V. Schaefer, our President and Chief Executive Officer. None of our other employees have an employment agreement with us. If we lose the services of one or more of our key employees, we may not be able to successfully manage our business or achieve our growth objectives. As our business grows, we will need to attract and retain additional qualified personnel in a timely manner.

Our business depends on our ability to meet our labor needs.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including district managers, store managers, department managers and sales associates, who understand and appreciate our outdoor culture and are able to adequately represent this culture to our customers. Qualified individuals of the requisite caliber and number needed to fill these positions may be in short supply in some areas, and the turnover rate in the retail industry is high. If we are unable to hire and retain sales associates capable of consistently providing a high level of customer service, as demonstrated by their enthusiasm for our culture and knowledge of our merchandise, our business could be materially adversely affected. Although none of our employees is currently covered by collective bargaining agreements, our employees may elect to be

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represented by labor unions in the future, which could increase our labor costs. Additionally, competition for qualified employees could require us to pay higher wages to attract a sufficient number of employees. An inability to recruit and retain a sufficient number of qualified individuals in the future may delay the planned openings of new stores. Any such delays, any material increases in employee turnover rates at existing stores or any increases in labor costs could have a material adverse effect on our business, financial condition or operating results.

Increases in the minimum wage could adversely affect on our financial results.

From time to time, legislative proposals are made to increase the federal minimum wage in the United States, as well as the minimum wage in a number of individual states. Base wage rates for some of our employees are at or slightly above the minimum wage. As federal or state minimum wage rates increase, we may need to increase not only the wage rates of our minimum wage employees, but also the wages paid to our other hourly employees as well. Any increase in the cost of our labor could have an adverse effect on our operating costs, financial condition and results of operations.

We may pursue strategic acquisitions or investments, and the failure of an acquisition or investment to produce the anticipated results or the inability to fully integrate the acquired companies could have an adverse impact on our business.

We may from time to time acquire or invest in complementary companies, businesses or assets. The success of such acquisitions or investments will be based on our ability to make accurate assumptions regarding the valuation, operations, growth potential, integration and other factors relating to the respective business or assets. Our acquisitions or investments may not produce the results that we expect at the time we enter into or complete the transaction. For example, we may not be able to capitalize on previously anticipated synergies. Furthermore, acquisitions may result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or write-offs of goodwill or other intangibles, any of which could harm our financial condition or results of operations. We also may not be able to successfully integrate operations that we acquire, including their personnel, financial systems, supply chain and other operations, which could adversely affect our business. Acquisitions may also result in the diversion of our capital and our management's attention from other business issues and opportunities.

A proposed new standard for lease accounting may significantly impact the timing and amount in which we report our lease expense.

In August 2010, the Financial Accounting Standards Board, or FASB, and the International Accounting Standards Board, or IASB, issued an exposure draft that proposes substantial changes to existing lease accounting that would affect all lease arrangements. Subsequent meetings of the joint committee of the FASB and the IASB have made further changes to the proposed lease accounting.

Under the current proposed accounting model, lessees would be required to record an asset representing the right-to-use the leased item for the lease term, or right-of-use asset, and a corresponding liability to make lease payments. The right-of-use asset and liability incorporate the rights arising under the lease and are based on the lessee's assessment of expected payments to be made over the lease term. The proposed model requires measuring these amounts at the present value of the future expected payments. For the majority of our leases, we expect that the lease expense would include the amortization of the right-of-use asset and the recognition of interest expense based upon the lessee's incremental borrowing rate (or the rate implicit in the lease, if known) on the repayment of the lease obligation.

The FASB issued a revised lease accounting exposure draft in May 2013. A proposed effective date has not yet been announced. The FASB and IASB will consider comment letters on the revised exposure draft and are expected to issue a final standard in 2014. Currently, management is unable to assess the impact the adoption of

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the new final lease standard will have on our financial statements. Although we believe the presentation of our financial statements will likely change, including the pattern of lease expense recognition, we do not believe the accounting pronouncement will change the fundamental economic reasons for which we lease our stores.

We may not achieve projected goals and objectives in the time periods that we anticipate or announce publicly, which could harm our business and cause the price of our common stock to decline.

We set targets and timing to accomplish certain objectives regarding our business. We have included some of these targets in this prospectus and may make similar future public statements. For example, we state in this prospectus that:

- we currently plan to open six to eight new stores in fiscal year 2014 and, thereafter, intend to grow our store base at a rate of eight to twelve stores annually; and
- we target a minimum 10% four-wall Adjusted EBITDA margin and a minimum return on invested capital of 50% excluding initial inventory cost (or 20% including initial inventory cost) in the first twelve months of operation for a new store.

This prospectus also includes other forecasts and targets. These forecasts and targets are based on our current expectations. We may not achieve these forecasts and targets, and the actual achievement and timing of these events can vary due to a number of factors, including currently unforeseen matters and matters beyond our control. You should not unduly rely on these forecasts or targets in deciding whether to invest in our common stock.

Risks Related to Our Common Stock and this Offering

Seidler will beneficially own approximately % of our common stock after this offering, and its interests may conflict with or differ from your interests as a stockholder.

After the completion of this offering, Seidler will beneficially own approximately % of our common stock (or approximately % if the underwriters exercise their option to purchase additional shares in full). As a result, Seidler will have significant influence over the election of all of our directors and the approval of significant corporate transactions that require the approval of our board of directors or stockholders, such as mergers and the sale of substantially all of our assets. So long as Seidler continues to own a significant amount of the outstanding shares of our common stock, it will have the ability to exert significant influence over our corporate decisions. Seidler may act in a manner that advances its best interests and not necessarily those of other stockholders, including investors in this offering, by, among other things:

- delaying, deferring or preventing a change in control transaction;
- entrenching our management and/or our board of directors;
- impeding a merger, consolidation, takeover or other business combination involving us;
- discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of us; or
- causing us to enter into transactions or agreements that are not in the best interests of all stockholders.

Additionally, Seidler is in the business of making investments in companies and may in the future acquire interests in businesses that directly or indirectly compete with certain portions of our business or our suppliers or customers. Seidler may also pursue acquisitions that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us.

Seidler and the members of our board of directors who are affiliated with Seidler, by the terms of our amended and restated certificate of incorporation, will not be required to offer us any transaction opportunity of

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which they become aware and could take any such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is expressly offered to them solely in their capacity as our directors. We, by the terms of our amended and restated certificate of incorporation, expressly renounce any interest in any such corporate opportunity to the extent permitted under applicable law, even if the opportunity is one that we would reasonably be deemed to have pursued if given the opportunity to do so. Our amended and restated certificate of incorporation cannot be amended to eliminate our renunciation of any such corporate opportunity arising prior to the date of any such amendment. Seidler or its affiliates may also acquire competing businesses that may not be attractive to us, and have no obligation to refrain from acquiring competing businesses. Any competition could intensify if an affiliate or subsidiary of Seidler were to enter into or acquire a business similar to our specialty retail operations. Seidler or its affiliates may enter into or acquire a competing business in the future.

We will be a “controlled company” within the meaning of _____ corporate governance standards and, as a result, will qualify for, and intend to rely on, exemptions from some of the corporate governance requirements that provide protection to stockholders of other companies.

Upon the completion of this offering, affiliates of Seidler will continue to control a majority of our outstanding common stock. As a result, we will be a “controlled company” within the meaning of _____ corporate governance standards. As a controlled company, we will be exempt from some of _____ corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of “independent directors” as defined under _____ corporate governance standards;
- our director nominees be selected by a nominating and governance committee comprised solely of independent directors with a written charter addressing the nominations process; and
- the compensation of our executive officers be determined by a compensation committee comprised solely of independent directors.

Following this offering, a majority of our board of directors will consist of independent directors and we will have an audit committee and a compensation committee comprised solely of independent directors. However, our nominating and governance committee will not be comprised solely of independent directors. As long as we are a “controlled company,” we could avail ourselves of any of the exemptions described above even if we will not be relying upon them immediately after completion of this offering. Accordingly, for so long as we are a “controlled company,” you may not have the same protections afforded to stockholders of companies that are subject to all of _____ corporate governance standards.

Our amended and restated bylaws and our amended and restated certificate of incorporation will contain, and Delaware law contains, provisions that could discourage another company from acquiring us and may prevent attempts by our stockholders to replace or remove our current management.

Provisions of our amended and restated bylaws, our amended and restated certificate of incorporation and Delaware law may discourage, delay or prevent a merger or acquisition that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace or remove our board of directors. These provisions include:

- establishing a classified board of directors;
- providing that directors may be removed only for cause;
- requiring a supermajority vote of our board of directors to approve a change in control transaction and other significant corporate transactions;
- not providing for cumulative voting in the election of directors;

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- limiting who may call special meetings of stockholders;
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings;
- prohibiting stockholder action by written consent once Seidler owns less than a majority of the outstanding shares of our common stock; and
- authorizing the issuance of “blank check” preferred stock without any need for action by stockholders.

In addition, we are subject to Section 203 of the Delaware General Corporation Law, which, subject to some exceptions, prohibits a Delaware corporation from engaging in any “business combination” with any “interested stockholder” (which is generally defined as an entity or person who, together with the person’s affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation), for a three-year period following the date that the stockholder became an interested stockholder. Section 203 could have the effect of delaying, deferring or preventing a change in control that our stockholders might consider to be in their best interests.

Together, these charter and statutory provisions could make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our common stock. The existence of the foregoing provisions and anti-takeover measures, as well as the significant common stock beneficially owned by Seidler, could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby potentially reducing the likelihood that you could receive a premium for your common stock in an acquisition.

Prior to this offering, no public market for our common stock existed, and an active market for our common stock may not develop, which could make it difficult for you to sell your shares of common stock and could have a material adverse effect on the value of your investment.

Prior to this offering, there has been no public market for shares of our common stock. Following this offering, we anticipate that our shares of common stock will trade on _____ under the symbol “_____.” However, we cannot assure you that an active public trading market for our common stock will develop on that exchange or elsewhere or, if developed, that any market will be active or sustained. Accordingly, we cannot assure you of the liquidity of any such market, your ability to sell your shares of common stock or the prices that you may obtain for any sale of your shares of common stock. As a result, you could lose all or part of your investment.

We expect that the price of our common stock will fluctuate.

Volatility in the market price of our common stock may prevent you from being able to sell your common stock at or above the price you paid for your common stock. The market price for our common stock could fluctuate significantly for various reasons, including:

- our operating and financial performance and prospects, including seasonal fluctuations in our financial performance;
- conditions that impact demand for our products;
- the public’s reaction to our press releases, other public announcements and filings with the Securities and Exchange Commission, or the SEC;
- changes in earnings estimates or recommendations by securities analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;

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- changes in federal and state government regulation;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival or departure of key personnel;
- sales of common stock by us or members of our management team; and
- changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from natural disasters, terrorist attacks, acts of war and responses to such events.

In addition, if the market for stocks in our industry, or the stock market in general, experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to lawsuits that, even if unsuccessful, could be costly to defend and distract our management.

Future sales of our common stock, or the perception in the public markets that these sales may occur, may cause the trading price of our common stock to decline.

If our existing stockholders sell substantial amounts of our common stock in the public market, or are perceived by the public market as intending to sell, the trading price of our common stock could decline below the initial public offering price. We will have outstanding _____ shares of common stock immediately after this offering. Only the shares of our common stock sold in this offering and not subsequently held by “affiliates,” as that term is defined in Rule 144 under the Securities Act, will be immediately freely tradable, without restriction, in the public market.

Our executive officers, directors and holders of our common stock and restricted nonvoting common stock prior to consummation of this offering will enter into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each of these persons or entities, subject to certain exceptions, for a period of 180 days after the date of this prospectus, subject to extension in limited circumstances, may not, without the prior written consent of the representatives of the underwriters, (1) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any class of our common equity or any securities convertible into or exchangeable or exercisable for any class of our common equity (which we refer to as lock-up securities), enter into a transaction which 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 any lock-up securities, whether any such aforementioned transaction is to be settled by delivery of the any lock-up securities or such 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 or (2) make any demand for or exercise any right with respect to, the registration of any lock-up securities.

Upon the expiration of the contractual lock-up agreements pertaining to this offering, 180 days from the date of this prospectus, up to an additional _____ shares of common stock will be eligible for sale in the public market, _____ of which will be held by directors, executive officers and other affiliates and will be subject to the notice, manner of sale, public information and volume limitations under Rule 144 under the Securities Act. Seidler will have demand and piggyback rights that will, subject to certain conditions, require us to register with the SEC any shares of our common stock beneficially owned by Seidler. If we register the resale of any of these shares of common stock, Seidler would be able to sell those shares freely in the public market.

In addition, the shares that may be issued with respect to our outstanding restricted stock units or that may be granted in the future under our 2013 Performance Incentive Plan will become eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements, the contractual lock-up agreements and Rules 144 and 701 under the Securities Act. After this offering, we intend to register the issuance of shares of our common stock that we may grant in the future under our 2013 Performance Incentive Plan. Once we register the offer and sale of these shares, those shares can be freely sold in the public market upon issuance, subject to any vesting or contractual lock-up agreements.

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If any of these additional shares are sold, or the market perceives that they will be sold, the trading price of our common stock could decline.

You will experience immediate dilution.

If you purchase shares of our common stock in this initial public offering, you will experience immediate dilution of \$ per share, based on an assumed initial public offering price of \$ per share, which is the midpoint of the price range on the cover page of this prospectus. You will be diluted because the assumed initial public offering price is greater than the pro forma as adjusted net tangible book value per share of our common stock, after giving effect to the conversion of restricted nonvoting common stock to common stock and this offering. You will experience additional dilution upon the grant or payment of awards in shares of our common stock, which have been, and continue to be, granted under our 2013 Performance Incentive Plan.

We are an EGC within the meaning of the JOBS Act, and the reduced reporting requirements applicable to EGCs may make our common stock less attractive to investors.

Because we qualify as an EGC under the JOBS Act, we have elected to comply with some of the reduced disclosure and other reporting requirements available to us as an EGC in connection with our initial public offering, and for a period of up to five years following our initial public offering if we remain an EGC. For example, we have provided only two fiscal years of audited financial information and have provided scaled-down disclosure on executive compensation, such as not including a “Compensation Discussion and Analysis” in this prospectus, in connection with our initial public offering. In addition, for as long as we remain an EGC, we are not subject to certain governance requirements, such as holding a “say-on-pay” and “say-on-golden-parachute” advisory votes, and we do not need to obtain an annual attestation report on our internal control over financial reporting from a registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act. We could be an EGC for a period up to the end of the fifth fiscal year after our initial public offering, although we will cease to be an EGC earlier than this five-year period if our total annual gross revenues equal or exceed \$1 billion in a fiscal year, if we issue more than \$1 billion in non-convertible debt over a three-year period or if we become a “large accelerated filer” (which requires, among other things, the market value of our common stock held by non-affiliates to be at least \$700 million as of the last business day of our second fiscal quarter of any fiscal year).

Accordingly, you are not receiving the same level of disclosure in connection with the decision to invest in our initial public offering as you would be afforded in an initial public offering of a non-EGC, and, following our initial public offering for up to five fiscal years, our stockholders may not receive the same level of disclosure that is afforded to stockholders of a non-EGC. It is possible that investors will find our common stock to be less attractive because we have elected to comply with the reduced disclosure and other reporting requirements available to us as an EGC, which could adversely affect the trading market for our common stock and the prices at which you may be able to sell your common stock.

The requirements of being a public company may strain our resources and divert management’s attention.

As a public company, we will be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations and proxy or information statements in connection with matters upon which our stockholders may vote. As a result of our public disclosure of information in this prospectus and in future filings required of a public company, our business and financial condition will become more visible, which could result in threatened or actual litigation, or other adverse actions taken by competitors and other third parties. In addition, our management team has limited experience managing a public company or complying with the increasingly

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complex laws pertaining to public companies, and a number of our current directors have limited experience serving on the boards of public companies. The time and resources necessary to comply with the requirements of being a public company and contend with any action that might be brought against us as a result of publicly available information could divert our resources and the attention of our management and adversely affect our business, financial condition and results of operations.

If we are unable to implement and maintain effective internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, and the market price of our common stock may be adversely affected.

As a public company, we will be required to implement and maintain effective internal control over financial reporting and to disclose any material weaknesses identified in our internal controls. Our management will be required to furnish an annual report regarding the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, beginning with our annual report on Form 10-K for fiscal year 2015 (to be filed in 2016). Currently, we are in the process of refining, implementing and testing the internal controls required to comply with Section 404. If we identify material weaknesses in our internal control over financial reporting, if we fail to comply with the requirements of Section 404 in a timely manner or if we are unable to assert that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected. We could also become subject to investigations by _____, the SEC or other regulatory authorities, which could require additional financial and management resources.

We do not expect to pay any cash dividends for the foreseeable future.

We currently expect to retain all available funds and future earnings, if any, for use in the operation and growth of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with applicable law and any contractual provisions, including under the credit agreements governing our term loans and revolving credit facility and agreements governing any additional indebtedness we may incur in the future, that restrict or limit our ability to pay dividends, and will depend upon, among other factors, our results of operations, financial condition, earnings, capital requirements and other factors that our board of directors deems relevant. Further, because we are a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of their jurisdiction of organization, agreements of our subsidiaries or covenants under our existing or future indebtedness. All of our business operations are conducted through our wholly owned subsidiaries, Sportsman's Warehouse, Inc. and Minnesota Merchandising Corporation and their subsidiaries. The ability of Sportsman's Warehouse, Inc. and Minnesota Merchandising Corporation to pay dividends to us, and our ability to pay dividends on our capital stock, is limited by our term loans. Our revolving credit facility also limits our ability to pay dividends on our capital stock. Our ability to pay dividends may also be restricted by the terms of any future credit agreement or any future debt or preferred equity securities of ours or of our subsidiaries. Accordingly, if you purchase shares in this offering, you may not realize any returns on your investment unless the price of our common stock appreciates, which may never occur. Investors seeking cash dividends in the foreseeable future should not purchase our common stock.

If securities or industry analysts publish inaccurate or unfavorable research about us, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research reports that securities or industry analysts publish about us, our business and our industry. Assuming we obtain securities or industry analyst coverage, if one or more of the analysts who cover us downgrade our stock or publish inaccurate or unfavorable research about us, our business or our industry, our stock price would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which might cause our stock price and trading volume to decline.

We have broad discretion in the use of the net proceeds from our initial public offering and may not use them effectively.

We cannot specify with certainty all of the particular uses of the net proceeds that we will receive from our initial public offering. Assuming we obtain a waiver from Wells Fargo, which we intend to seek before completion of this offering, of the requirement that we use the proceeds from this offering to repay amounts outstanding under the revolving credit facility, we will have broad discretion in the application of this capital and intend to use it for the repayment of a portion of the borrowings outstanding under our term loans, with any remaining proceeds to be used for general corporate purposes. We may spend or invest these funds in a manner with which you disapprove or that may not be profitable. Our failure to apply the net proceeds effectively could harm our business and financial condition. Pending the use of the net proceeds, we may invest the net proceeds in a manner that does not produce income or that loses value.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains statements that constitute forward-looking statements. These statements concern our business, operations and financial performance and condition as well as our plans, objectives and expectations for our business operations and financial performance and condition, which are subject to risks and uncertainties. All statements other than statements of historical fact included in this prospectus are forward-looking statements. These statements may include words such as “aim,” “anticipate,” “assume,” “believe,” “can have,” “could,” “due,” “estimate,” “expect,” “goal,” “intend,” “likely,” “may,” “objective,” “plan,” “potential,” “positioned,” “predict,” “should,” “target,” “will,” “would” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events or trends. For example, all statements we make relating to our plans and objectives for future operations, growth or initiatives and strategies are forward-looking statements.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about our business and the industry in which we operate and our management’s beliefs and assumptions. These statements are not guarantees of future performance or developments and involve known and unknown risks, uncertainties and other factors that are in many cases beyond our control. All of our forward-looking statements are subject to risks and uncertainties that may cause our actual results to differ materially from our expectations. Factors that may cause such differences include, but are not limited to, the risks described under the “Risk Factors” section of this prospectus beginning on page 13, including:

- our retail-based business model is impacted by general economic conditions and economic and financial uncertainties may cause a decline in consumer spending;
- our concentration of stores in the Western United States makes us susceptible to adverse conditions in this region, which could affect our sales and cause our operating results to suffer;
- we operate in a highly fragmented and competitive industry and may face increased competition;
- we may not be able to anticipate, identify and respond to changes in consumer demands, including regional preferences, in a timely manner;
- we may not be successful in operating our stores in any existing or new markets into which we expand; and
- current and future government regulations, in particular regulations relating to the sale of firearms and ammunition, may impact the demand for our products and our ability to conduct our business.

The above is not a complete list of factors or events that could cause actual results to differ from our expectations, and we cannot predict all of them. We derive many of our forward-looking statements from our own operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution predicting the impact of known factors is very difficult, and we cannot anticipate all factors that could affect our actual results. Important factors that could cause actual results to differ materially from our expectations, or cautionary statements, are disclosed under “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this prospectus. All written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements contained in this prospectus as well as other cautionary statements that are made from time to time in our other SEC filings and public communications. You should evaluate all forward-looking statements made in this prospectus and otherwise in the context of these risks and uncertainties.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on any forward-looking statements we make. These forward-looking statements speak only as of the date of this prospectus. Except as required by law, we undertake no obligation to update or revise any forward-looking statements publicly, whether as a result of new information, future developments or otherwise.

MARKET AND INDUSTRY DATA

Information regarding market share, market position and industry data pertaining to our business contained in this prospectus consists of our estimates based on data and reports compiled by U.S. government and industry sources and professional organizations, including the National Sporting Goods Association, or the NSGA, and on our management's knowledge of our business and markets.

Although we believe that the third-party sources are reliable, we have not independently verified the accuracy or completeness of the market industry data provided by third parties or by industry or general publications. Similarly, while we believe our internal estimates with respect to our industry are reliable, our estimates have not been verified by any independent sources. While we are not aware of any misstatements regarding any industry data presented in this prospectus, our estimates, in particular as they relate to market share and our general expectations, involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Risk Factors."

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately \$ million, assuming an initial public offering price of \$ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and our estimated offering expenses. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholder, including any shares sold by the selling stockholder in connection with the exercise of the underwriters' option to purchase additional shares.

Each \$1.00 increase (decrease) in the initial public offering price per share would increase (decrease) the net proceeds to us from this offering, after deducting underwriting discounts and commissions and our estimated offering expenses, by approximately \$ million, assuming that the number of shares we are offering, as set forth on the cover page of this prospectus, remains the same and that the underwriters do not exercise their over-allotment option. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting underwriting discounts and commissions and our estimated offering expenses, by approximately \$ million, assuming the initial public offering price per share remains the same.

Our revolving credit facility requires us to use the proceeds from this offering to repay all amounts outstanding under such facility. We intend to seek a waiver from Wells Fargo, the lender under our revolving credit facility, of this requirement prior to completion of this offering. Assuming we obtain this waiver, we will have broad discretion in applying the net proceeds from this offering, and investors will be relying on our judgment regarding the application of these net proceeds.

We intend to use the net proceeds from this offering to pay a portion of the borrowings outstanding under our term loans, with any remaining proceeds to be used for general corporate purposes. Pending any specific application, we intend to invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities such as money market funds, commercial paper or guaranteed obligations of the U.S. government.

Our \$235.0 million term loan facility consists of a \$185.0 million tranche and a \$50.0 million tranche, each with a scheduled maturity date of August 20, 2019. As of November 2, 2013, there was \$234.4 million outstanding under the term loans. The term loans bear interest at a rate per annum equal to the one-, two-, three-, or six-month LIBOR (or, if available to all relevant lenders, the nine- or 12-month LIBOR), as defined in the term loan agreement, at our election, which cannot be less than 1.25%, plus an applicable margin of 6.00% and 10.75% for the \$185.0 million tranche and \$50.0 million tranche, respectively. Since LIBOR has been less than 1.25% since the inception of the term loans through November 2, 2013, the interest rates have been fixed at 7.25% and 12.0% on the \$185.0 million tranche and \$50.0 million tranche, respectively.

DIVIDEND POLICY

We declared and paid a dividend of \$1.81 per share on our common stock in October 2012 and on our restricted nonvoting common stock in November 2012. We also declared and paid dividends on our common stock and restricted nonvoting common stock of \$8.57 per share in November 2012 and \$8.73 per share in August 2013. We did not declare or pay any dividends on our common stock or our restricted nonvoting common stock during fiscal year 2011.

We currently expect to retain all available funds and future earnings, if any, for use in the operation and growth of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors, subject to compliance with applicable law and any contractual provisions, including under the credit agreements governing our term loans and revolving credit facility and agreements governing any additional indebtedness we may incur in the future, that restrict or limit our ability to pay dividends, and will depend upon, among other factors, our results of operations, financial condition, earnings, capital requirements and other factors that our board of directors deems relevant. Because we are a holding company, our ability to pay dividends depends on our receipt of cash dividends from our operating subsidiaries, which may further restrict our ability to pay dividends as a result of the laws of their jurisdiction of organization, agreements of our subsidiaries or covenants under our existing or future indebtedness. All of our business operations are conducted through our wholly owned subsidiaries, Sportsman's Warehouse, Inc. and Minnesota Merchandising Corporation and their subsidiaries. The ability of Sportsman's Warehouse, Inc. and Minnesota Merchandising Corporation to pay dividends to us, and our ability to pay dividends on our capital stock, is limited by our term loans. Our revolving credit facility also limits our ability to pay dividends on our capital stock. Our ability to pay dividends may also be restricted by the terms of any future credit agreement or any future debt or preferred equity securities of ours or of our subsidiaries.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of November 2, 2013 on:

- an actual basis; and
- a pro forma as adjusted basis to give effect to:
 - the adoption of our amended and restated certificate of incorporation upon completion of this offering;
 - the conversion of all of the outstanding shares of restricted nonvoting common stock into the same number of shares of common stock upon the completion of this offering; and
 - the sale by us of _____ shares of common stock in this offering at an assumed initial public offering price of \$ _____ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and our estimated offering expenses.

You should read the following table together with our consolidated financial statements and the related notes appearing elsewhere in this prospectus and the sections of this prospectus titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Selected Consolidated Financial and Operating Data.”

	As of November 2, 2013	
	Actual	Pro Forma As Adjusted(1)
	(dollars in thousands, except per share amounts)	
Cash and cash equivalents	\$ 405	\$
Long-term debt (including current portion):		
Senior secured revolving credit facility	\$ 57,313	\$
Senior secured term loans, net of discount	231,597	
Total long-term debt (including current portion)	288,910	
Stockholders’ equity (deficit):		
Common stock, \$0.01 par value per share; 9,600,000 and _____ shares authorized, actual and pro forma as adjusted, respectively; 9,500,000 and _____ shares issued and outstanding, actual and pro forma as adjusted, respectively	1	
Restricted nonvoting common stock, \$0.01 par value per share; 2,400,000 and _____ shares authorized, actual and pro forma as adjusted, respectively; 2,078,103 and no shares issued and outstanding, actual and pro forma as adjusted, respectively	21	—
Additional paid-in capital	—	
Accumulated deficit	(128,592)	(128,592)
Total stockholders’ (deficit) equity	(128,570)	
Total capitalization	\$ 160,340	\$

(1) Each \$1.00 increase (decrease) in the assumed initial public offering price per share would increase (decrease) each of pro forma as adjusted cash and cash equivalents, additional paid in capital, stockholders’ equity and total capitalization by approximately \$ _____ million, assuming that the number of shares we are offering, as set forth on the cover page of this prospectus, remains the same. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the net proceeds to us from this offering, after deducting underwriting discounts and commissions and our estimated offering expenses, by approximately \$ _____ million, assuming the initial public offering price per share remains the same.

DILUTION

If you invest in shares of our common stock in this offering, you will experience immediate dilution to the extent of the difference between the initial public offering price per share you pay in this offering and the pro forma as adjusted net tangible book value per share of our common stock upon completion of this offering. After giving effect to the conversion of all of the outstanding shares of restricted nonvoting common stock into the same number of shares of common stock, which will occur upon the completion of this offering, our net tangible book deficiency as of November 2, 2013 would have been \$136.6 million, or \$11.80 per share of common stock. We calculate net tangible book value or deficiency per share of our common stock by subtracting our total liabilities from our total tangible assets, and dividing the result by the number of shares of common stock.

After giving further effect to this offering, assuming an initial public offering price of \$ _____ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and our estimated offering expenses, our pro forma as adjusted net tangible book deficiency as of November 2, 2013 would have been approximately \$ _____ million, or \$ _____ per share of our common stock. This represents an immediate decrease in as adjusted net tangible book deficiency to our existing stockholders of \$ _____ per share, and an immediate dilution of \$ _____ per share to new investors who purchase shares of our common stock in this offering.

The following table illustrates the per share dilution to new investors purchasing shares of our common stock in the offering:

Assumed initial public offering price per share (based on the midpoint of the price range set forth on the cover page of this prospectus)	\$ _____
Net tangible book deficiency per share as of November 2, 2013 (after giving effect to the conversion of our restricted nonvoting common stock into shares of common stock)	\$(11.80)
Increase in net tangible book value per share attributable to new investors purchasing shares in the offering	<u>_____</u>
Pro forma as adjusted net tangible book deficiency per share after the offering	<u>_____</u>
Dilution per share to new investors	<u><u>\$ _____</u></u>

A \$1.00 increase (decrease) in the assumed initial public offering price per share would (decrease) increase our pro forma as adjusted net tangible book deficiency by approximately \$ _____, or \$ _____ per share, and would increase (decrease) dilution to investors in this offering by \$ _____ per share, assuming that the number of shares we are offering, as set forth on the cover page of this prospectus, remains the same. A (decrease) increase of 1,000,000 in the number of shares we are offering would increase (decrease) our pro forma as adjusted net tangible book deficiency by approximately \$ _____, or \$ _____ per share, and would decrease (increase) dilution to investors in this offering by \$ _____ per share, assuming the initial public offering price per share remains the same.

Subsequent to November 2, 2013, there were restricted stock units outstanding covering a total of 418,240 shares of common stock. To the extent shares of common stock are issued upon the vesting of outstanding restricted stock units, there will be further dilution to new investors. For a description of our 2013 Performance Incentive Plan, see the section titled “Executive Compensation—Equity Incentive Plans.”

The following table summarizes, as of November 2, 2013, on a pro forma as adjusted basis to give effect to the conversion of restricted nonvoting common stock to common stock and this offering, as described above, the total number of shares of our common stock purchased from us and the total consideration and average price per share paid by existing stockholders and by investors in this offering, assuming an initial public offering price of

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\$ _____ per share, the midpoint of the range set forth on the cover page of this prospectus, before deducting the underwriting discounts and commissions and our estimated offering expenses in connection with this offering:

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Average Price</u>
	<u>Number</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Per Share</u>
Existing stockholders	11,578,103	%	\$9,213,865	%	\$ 1.26
Investors in this offering					\$
Total		100%	\$	100%	

A \$1.00 increase (decrease) in the assumed initial public offering price per share would increase (decrease) total consideration paid by investors in this offering, total consideration paid by all stockholders and the average price per share paid by all stockholders by \$ _____ million, \$ _____ million and \$ _____, respectively, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same. An increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the total consideration paid by investors in this offering, total consideration paid by all stockholders and the average price per share paid by all stockholders of \$ _____ million, \$ _____ million and \$ _____, respectively, assuming the initial public offering price per share remains the same.

The above does not reflect any exercise of the underwriters' option to purchase additional shares. If the underwriters exercise in full their option to purchase additional shares, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, and the assumed initial public offering price remain the same, our existing stockholders would own _____ shares or, _____%, in the aggregate, and investors in this offering would own _____ shares or, _____%, in the aggregate, of the total number of shares of our common stock outstanding upon completion of this offering.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following selected consolidated statements of income data for the fiscal years ended February 2, 2013 and January 28, 2012 and the selected consolidated balance sheet data as of February 2, 2013 and January 28, 2012 have been derived from our audited consolidated financial statements, which are included elsewhere in this prospectus. Our selected consolidated statements of income data for the fiscal year ended January 29, 2011 and the selected consolidated balance sheet data as of January 29, 2011 have been derived from our consolidated financial statements, which are not included in this prospectus. The selected consolidated statements of income data for each of the 39 weeks ended November 2, 2013 and October 27, 2012 and the selected consolidated balance sheet data as of November 2, 2013 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. The selected consolidated balance sheet data as of October 27, 2012 has been derived from our unaudited consolidated financial statements not included in this prospectus.

We operate on a fiscal calendar which, in a given fiscal year, consists of the 52- or 53-week period ending on the Saturday closest to January 31st. The reporting periods contained in our audited consolidated financial statements included in this prospectus contain 53 weeks of operations in fiscal year 2012, which ended February 2, 2013 and which we refer to in this prospectus as fiscal year 2012, and 52 weeks of operations in fiscal year 2011, which ended January 28, 2012 and which we refer to in this prospectus as fiscal year 2011. We refer in this prospectus to the 52 weeks of operations, which ended January 29, 2011, as fiscal year 2010. Our interim reporting periods in the unaudited consolidated financial statements included in this prospectus consist of the 39-week periods ended November 2, 2013 and October 27, 2012.

The historical results presented below are not necessarily indicative of the results to be expected for any future period, and the results for any interim period may not necessarily be indicative of the results that may be expected for a full year. The following summaries of our consolidated financial and operating data for the periods presented should be read in conjunction with “Risk Factors,” “Capitalization,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes, which are included elsewhere in this prospectus.

	Thirty-Nine Weeks Ended		Fiscal Year Ended		
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012	January 29, 2011
	(in thousands, except share and per share amounts)				
Consolidated Statements of Income Data:					
Net sales	\$ 467,435	\$ 337,927	\$ 526,942	\$ 376,551	\$ 311,363
Cost of goods sold	317,089	233,776	364,326	259,354	215,069
Gross profit	150,346	104,151	162,616	117,197	96,294
Selling, general and administrative expenses	106,641	77,029	109,408	89,659	81,838
Bankruptcy-related expenses (benefit)(1)	55	385	(263)	919	3,536
Income from operations	43,650	26,737	53,471	26,619	10,920
Interest expense	19,894	3,135	6,321	4,392	5,676
Income before income taxes	23,756	23,602	47,150	22,227	5,244
Income tax expense (benefit)	9,417	9,498	19,076	(11,467)	—
Net income	<u>\$ 14,339</u>	<u>\$ 14,104</u>	<u>\$ 28,074</u>	<u>\$ 33,694</u>	<u>\$ 5,244</u>
Earnings per share:					
Basic	<u>\$ 1.24</u>	<u>\$ 1.22</u>	<u>\$ 2.42</u>	<u>\$ 3.01</u>	<u>\$ 0.54</u>
Diluted	<u>\$ 1.24</u>	<u>\$ 1.22</u>	<u>\$ 2.42</u>	<u>\$ 3.01</u>	<u>\$ 0.54</u>
Weighted average shares outstanding:					
Basic shares	<u>11,578,103</u>	<u>11,578,103</u>	<u>11,578,103</u>	<u>11,197,589</u>	<u>9,720,014</u>
Diluted shares	<u>11,578,103</u>	<u>11,578,103</u>	<u>11,578,103</u>	<u>11,197,589</u>	<u>9,720,014</u>

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	As of		As of		
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012	January 29, 2011
(in thousands except percentages, number of stores and square foot data)					
Consolidated Balance Sheet Data:					
Total current assets	\$ 217,158	\$ 152,413	\$ 143,511	\$ 111,911	\$ 92,649
Total assets	264,933	179,719	166,563	155,026	122,677
Long-term debt, net of discount	288,910	41,911	124,808	59,485	69,576
Total liabilities	393,563	136,284	208,407	104,694	106,266
Total stockholders' (deficit) equity	(128,570)	43,436	(41,844)	50,332	16,411
Total liabilities and stockholders' equity	264,993	179,719	166,563	155,026	122,677
Other Data:					
Adjusted EBITDA(2)	\$ 51,462	\$ 30,994	\$ 59,039	\$ 31,546	\$ 22,751
Adjusted EBITDA margin(2)	11.0%	9.2%	11.2%	8.4%	7.3%
Number of stores open at end of period	47	33	33	29	26
Total selling square feet at end of period	1,668,227	1,207,920	1,207,920	1,063,330	957,832
Same store sales growth for period(3)	7.2%	16.2%	25.3%	13.1%	21.0%
Cash dividend declared per common share	\$ 8.73	\$ 1.81	\$ 10.39	\$ —	\$ —

- On March 21, 2009, Sportsman's Warehouse Holdings, Inc. and its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, seeking to reorganize the business under the provisions of the Bankruptcy Code. The plan of reorganization under the Bankruptcy Code was confirmed by the United States Bankruptcy Court for the District of Delaware on July 30, 2009 and became effective when all material conditions of the plan of reorganization were satisfied on August 14, 2009. We incurred certain costs related to our restructuring and emergence from Chapter 11 bankruptcy and included a liability as part of the reorganization value at August 14, 2009, the date of emergence from bankruptcy. Bankruptcy-related expenses are those amounts that are greater than the initial estimated restructuring costs, whereas bankruptcy-related benefits are those amounts that are less than the initial estimated costs. They are expensed as incurred.
- Adjusted EBITDA has been presented in this prospectus as a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP. We define Adjusted EBITDA as net income plus interest expense, income tax expense (benefit), depreciation and amortization, bankruptcy-related expenses (benefit) and certain one-time, non-recurring expenses such as expenses related to the acquisition of ten stores in fiscal year 2013, start-up costs for our e-commerce platform and pre-opening expenses. Adjusted EBITDA margin means, for any period, the Adjusted EBITDA for that period divided by the net sales for that period.

Adjusted EBITDA and Adjusted EBITDA margin are included in this prospectus because they are key metrics used by management and our board of directors to assess our financial performance. Adjusted EBITDA and Adjusted EBITDA margin are frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. In addition to assessing our financial performance, we use Adjusted EBITDA and Adjusted EBITDA margin as additional measurement tools for purposes of business decision-making, including evaluating store performance, developing budgets and managing expenditures.

Adjusted EBITDA is not a GAAP measure of our financial performance or liquidity and should not be considered as an alternative to net income as a measure of financial performance or cash flows from operations as a measure of liquidity, or any other performance measure derived in accordance with GAAP, and it should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow for management's discretionary use, as it does not reflect certain cash requirements such as tax payments, debt service requirements, capital expenditures, store openings and certain other cash costs that may recur in the future. Adjusted EBITDA contains certain other limitations, including the failure to reflect our cash expenditures or future requirements for capital expenditures or contractual commitments. In evaluating Adjusted EBITDA, you should be aware that, in the future, we will incur expenses that are the same as or similar to some of the

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adjustments reflected in this presentation, such as income tax expense (benefit), interest expense, depreciation and amortization and pre-opening expenses. Our presentation of Adjusted EBITDA should not be construed to imply that our future results will be unaffected by any such adjustments. Management compensates for these limitations by relying on our GAAP results in addition to using Adjusted EBITDA supplementally. Our measures of Adjusted EBITDA are not necessarily comparable to other similarly titled captions of other companies due to different methods of calculation.

A reconciliation of net income to Adjusted EBITDA is set forth below:

	Thirty-Nine Weeks Ended		Fiscal Year Ended		
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012	January 29, 2011
Net income	\$ 14,339	\$ 14,104	(in thousands) \$ 28,074	\$ 33,694	\$ 5,244
Plus:					
Income tax expense (benefit)	9,417	9,498	19,076	(11,467)	—
Interest expense	19,894	3,135	6,321	4,392	5,676
Depreciation and amortization	4,355	2,671	3,431	3,108	2,448
Bankruptcy-related expenses (benefit)(a)	55	385	(263)	919	3,536
Acquisition expenses(b)	2,331	—	959	—	—
E-commerce start-up costs	—	—	—	126	100
Pre-opening expenses(c)	1,071	1,201	1,441	774	322
Adjusted EBITDA	<u>\$ 51,462</u>	<u>\$ 30,994</u>	<u>\$ 59,039</u>	<u>\$ 31,546</u>	<u>\$ 22,751</u>

- (a) We incurred certain costs related to our restructuring and emergence from Chapter 11 bankruptcy and included a liability as part of the reorganization value at August 14, 2009, the date of emergence from bankruptcy. Bankruptcy-related expenses are those amounts that are greater than the initial estimated restructuring costs, whereas bankruptcy-related benefits are those amounts that are less than the initial estimated costs. They are expensed as incurred.
- (b) Acquisition expenses for the 39 weeks ended November 2, 2013 relate to the costs associated with the acquisition of our ten stores in Montana, Oregon and Washington. Acquisition expenses for fiscal year 2012 relate to legal and consulting expenses related to potential merger and acquisition activity.
- (c) Pre-opening expenses include one-time non-recurring expenses incurred in the preparation and opening of a new store location, such as payroll, travel and supplies, but do not include the cost of the initial inventory or capital expenditures required to open a location. For the periods presented, these pre-opening costs were not concentrated in any quarter.
- (3) Net sales from a store are included in same store sales on the first day of the 13th full month following the store's opening or acquisition by us. We exclude net sales from e-commerce from our calculation of same store sales, and for fiscal years consisting of 53 weeks, we exclude net sales during the 53rd week from our calculation of same store sales. The figures shown represent growth over the corresponding period in the prior fiscal year.

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

You should read the following discussion and analysis of our financial condition and results of operations together with "Selected Consolidated Financial and Operating Data" and our consolidated financial statements and the related notes and other financial information and operating data, which are included elsewhere in this prospectus. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" and "Special Note Regarding Forward-Looking Statements" sections of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

We operate on a fiscal calendar which, in a given fiscal year, consists of the 52- or 53-week period ending on the Saturday closest to January 31st. The reporting periods contained in our audited consolidated financial statements included in this prospectus contain 53 weeks of operations in fiscal year 2012, which ended February 2, 2013 and which we refer to in this prospectus as fiscal year 2012, and 52 weeks of operations in fiscal year 2011, which ended January 28, 2012 and which we refer to in this prospectus as fiscal year 2011. We refer in this prospectus to the 52 weeks of operations, which ended January 29, 2011, as fiscal year 2010. Our interim reporting periods in the unaudited consolidated financial statements included in this prospectus consist of the 39-week periods ended November 2, 2013 and October 27, 2012.

Overview

We are a high-growth outdoor sporting goods retailer focused on meeting the everyday needs of the seasoned outdoor veteran, the first-time participant and every enthusiast in between. Our mission is to provide a one-stop shopping experience that equips our customers with the right quality, brand name hunting, shooting, fishing and camping gear to maximize their enjoyment of the outdoors.

We operate 47 stores in 18 states totaling approximately 2.2 million gross square feet. During the 39 weeks ended November 2, 2013, we increased our gross square footage by 37.1% through the opening of four new locations and the acquisition of ten of our previously operated stores. Our four new store openings were in Farmington, New Mexico; Lewiston, Idaho; Cheyenne, Wyoming; and Logan, Utah. In March 2013, we re-acquired ten stores previously operated under our Sportsman's Warehouse banner that are located in Montana, Oregon and Washington. We operate the business as one operating and reportable segment.

Our business was founded in 1986 as a single retail store in Midvale, Utah. On March 21, 2009, Sportsman's Warehouse Holdings, Inc. and its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, seeking to reorganize the business under the provisions of the Bankruptcy Code. The plan of reorganization under the Bankruptcy Code was confirmed by the United States Bankruptcy Court for the District of Delaware on July 30, 2009 and became effective when all material conditions of the plan of reorganization were satisfied on August 14, 2009. When we emerged from bankruptcy, affiliates of Seidler Equity Partners III, L.P., collectively referred to as Seidler, beneficially owned all of our outstanding common stock. On March 11, 2009, prior to filing for reorganization on March 21, 2009, we sold 15 stores to a third party, reducing our number of stores from 67 to 52. After filing for bankruptcy in March 2009, we closed another 26 stores in April and July 2009, leaving us with 26 stores when we emerged from bankruptcy. Since we emerged from bankruptcy in 2009, we have grown from 26 stores to 47 stores and our net sales have increased from \$311.4 million for fiscal year 2010 to \$656.5 million for the 53-week period ended November 2, 2013. For fiscal year 2012, all of our stores that had been open for more than twelve months had double-digit Adjusted EBITDA margins.

How We Assess the Performance of Our Business

In assessing the performance of our business, we consider a variety of performance and financial measures. The key measures for determining how our business is performing are net sales, same store sales, gross margin, selling, general and administrative expenses, income from operations and Adjusted EBITDA.

Net Sales and Same Store Sales

Our net sales are primarily received from revenue generated in our stores and also include sales generated through our e-commerce platform. When measuring revenue generated from our stores, we review our same store sales as well as the performance of our stores that have not operated for a sufficient amount of time to be included in same store sales. We include net sales from a store in same store sales on the first day of the 13th full fiscal month following the store's opening or acquisition by us. We exclude net sales from e-commerce from our calculation of same store sales, and for fiscal years consisting of 53 weeks, such as fiscal year 2012, we exclude net sales during the 53rd week from our calculation of same store sales.

From fiscal year 2009 to fiscal year 2012, we increased our same store sales year-over-year by 21.0%, 13.1% and 25.3%, respectively. We have also had an increase in same store sales for the last 15 consecutive fiscal quarters, 13 of which have had double digit percentage increases from the corresponding fiscal quarter of the prior fiscal year. Measuring the change in year-over-year same store sales allows us to evaluate how our retail store base is performing. Various factors affect same store sales, including:

- changes or anticipated changes to regulations related to some of the products we sell;
- consumer preferences, buying trends and overall economic trends;
- our ability to identify and respond effectively to local and regional trends and customer preferences;
- our ability to provide quality customer service that will increase our conversion of shoppers into paying customers;
- competition in the regional market of a store;
- atypical weather;
- changes in our product mix; and
- changes in pricing and average ticket sales.

Opening new stores is also an important part of our growth strategy. Over the last three fiscal years, we have opened an average of four stores per year. We currently plan to open six to eight new stores in fiscal year 2014. For the next several years thereafter, we intend to grow our store base at a rate of eight to twelve stores annually. For our new locations, we measure our investment by reviewing the new store's four-wall Adjusted EBITDA margin and pre-tax return on invested capital, or ROIC, of the new store. We target a minimum 10% four-wall Adjusted EBITDA margin and a minimum ROIC of 50% excluding initial inventory costs (or 20% including initial inventory cost) for the first twelve months of operation for a new store. The eight stores that we have opened since 2010 and that have been open for a full twelve months have achieved an average four-wall Adjusted EBITDA margin of 13.8% and an average ROIC of 139.9% excluding initial inventory cost (and 40.6% including initial inventory cost) during their first full twelve months of operations. See "—Non-GAAP Measures."

We also have been scaling our e-commerce platform and increasing sales through our website, www.sportsmanswarehouse.com. Our e-commerce platform generated net sales of \$5.5 million and \$5.0 million for fiscal year 2012 and the 39 weeks ended November 2, 2013, respectively, or 1.1% of our total net sales for each period.

We believe the key drivers to increasing our total net sales will be:

- increasing our total gross square footage by opening new stores and increasing the selling square footage of our existing stores;

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- continuing to increase and improve same store sales in our existing markets;
- increasing customer visits to our stores and improving our conversion rate through focused marketing efforts and continually high standards of customer service;
- increasing the average ticket sale per customer; and
- expanding our e-commerce platform.

Gross Margin

Gross profit is our net sales less cost of goods sold. Gross margin measures our gross profit as a percentage of net sales. Our gross margin was 31.1%, 30.9% and 32.2% for fiscal year 2011, fiscal year 2012 and the 39 weeks ended November 2, 2013, respectively. Our cost of goods sold primarily consists of merchandise acquisition costs, including freight-in costs, shipping costs, payment term discounts received from the vendor and vendor allowances and rebates associated directly with merchandise and shipping costs related to e-commerce sales.

We believe the key drivers to improving our gross margin are increasing the product mix to higher margin products, particularly clothing and footwear, improving buying opportunities with our vendor partners and coordinating pricing strategies among our stores and our buying group. Our ability to properly manage our inventory can also impact our gross margin. Successful inventory management ensures we have sufficient high margin products in stock at all times to meet customer demand, while overstocking of items could lead to markdowns in order to help a product sell. We believe that the overall growth of our business will allow us to generally maintain or increase our gross margins, because increased merchandise volumes will enable us to maintain our strong relationships with our vendors.

Selling, General and Administrative Expenses

We closely manage our selling, general and administrative expenses. Our selling, general and administrative expenses were 23.8%, 20.8% and 22.8% of net sales for fiscal year 2011, fiscal year 2012 and the 39 weeks ended November 2, 2013, respectively. Our selling, general and administrative expenses are comprised of payroll, rent and occupancy, depreciation and amortization, acquisition expenses, pre-opening expenses and other operating expenses, including share-based compensation expense. Pre-opening expenses include one-time, non-recurring expenses incurred in the preparation and opening of a new store location, such as payroll, travel and supplies, but do not include the cost of the initial inventory or capital expenditures required to open a location.

Our selling, general and administrative expenses are primarily influenced by the volume of net sales of our locations, except for our corporate payroll, rent and occupancy and depreciation and amortization, which are generally fixed in nature. We control our selling, general and administrative expenses through a budgeting and reporting process that allows our personnel to adjust our expenses as trends in net sales activity are identified.

We expect that our selling, general and administrative 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 from Operations

Income from operations is gross profit less selling, general and administrative expenses. We use income from operations as an indicator of the productivity of our business and our ability to manage selling, general and administrative expenses.

Adjusted EBITDA

We define Adjusted EBITDA as net income plus interest expense, income tax expense (benefit), depreciation and amortization, bankruptcy-related expenses (benefit), and certain one-time, non-recurring expenses, such as

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expenses related to the acquisition of ten stores in fiscal year 2013, start-up costs for our e-commerce platform and pre-opening expenses. In evaluating our business, we use Adjusted EBITDA and Adjusted EBITDA margin as an additional measurement tool for purposes of business decision-making, including evaluating store performance, developing budgets and managing expenditures. See “—Non-GAAP Measures.”

Results of Operations

The following table summarizes key components of our results of operations as a percentage of net sales for the periods indicated:

	Thirty-Nine Weeks Ended		Fiscal Year Ended	
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012
Percentage of net sales:				
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	67.8	69.2	69.1	68.9
Gross profit	32.2	30.8	30.9	31.1
Selling, general and administrative expenses	22.8	22.8	20.8	23.8
Bankruptcy-related expenses (benefit)	0.0	0.1	0.0	0.2
Income from operations	9.3	7.9	10.1	7.1
Interest expense	(4.3)	(0.9)	(1.2)	(1.2)
Income before income taxes	5.1	7.0	8.9	5.9
Income tax expense (benefit)	2.0	2.8	3.6	(3.0)
Net income	3.1%	4.2%	5.3%	8.9%
Adjusted EBITDA	11.0%	9.2%	11.2%	8.4%

Thirty-Nine Weeks Ended November 2, 2013 Compared to Thirty-Nine Weeks Ended October 27, 2012

Net Sales. Net sales increased by \$129.5 million, or 38.3%, to \$467.4 million for the 39 weeks ended November 2, 2013 compared to \$337.9 million for the 39 weeks ended October 27, 2012. This increase was due primarily to the additional \$92.4 million of revenue generated from 14 new stores, consisting of our four new store openings during the 39 weeks ended November 2, 2013 and our acquisition of ten stores in March 2013. We also recognized a 7.2% increase in our same store sales for the 39 weeks ended November 2, 2013 (or an 8.3% increase excluding net sales of firearms). Each of our departments recognized an increase in net sales from the 39 weeks ended October 27, 2012, with the largest increase generated by our hunting and shooting department, which had an increase in net sales of \$71.5 million. The increase in net sales in our hunting and shooting department resulted primarily from increased demand for firearms during the fourth fiscal quarter of fiscal year 2012 and that continued into the earlier part of fiscal year 2013, due in part to the public perception that federal or state legislation might be enacted that would potentially make it more difficult to purchase certain firearms. Our net sales were also supplemented by an increase in customer visits. Our customer visits increased by 4.9 million, or 46.7%, to approximately 15.4 million customer visits for the 39 weeks ended November 2, 2013 compared to 10.5 million customer visits during the 39 weeks ended October 27, 2012.

The 53rd week in fiscal year 2012 caused a one-week shift in our fiscal year 2013 calendar, resulting in the first quarter of fiscal year 2013 being later by one week relative to the quarter-ending date last fiscal year, which we refer to as a retail calendar shift. If there are seasonal influences near quarter-end dates, year-over-year comparisons may be impacted by the retail calendar shift. Our reported same store sales results for fiscal year 2012 have been adjusted for the retail calendar shift. Accordingly, our same store sales results for the 39 weeks ended November 2, 2013 are compared with our same store sales results for the 39 weeks ended November 3, 2012. We had an increase in same store sales of \$24.0 million, or 7.2%, to \$359.1 million for the 39 weeks ended November 2, 2013 from \$335.1 million for the 39 weeks ended November 3, 2012. The increase in same store

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sales resulted from the increase in net sales of firearms and ammunition as described above as well as an overall general increase in demand for our products and the effectiveness of our marketing efforts. We had 33 stores included in our same store sales calculation as of November 2, 2013.

During the 39 weeks ended November 2, 2013, we opened four new stores in the following locations: Farmington, New Mexico; Lewiston, Idaho; Cheyenne, Wyoming; and Logan, Utah. These four new locations generated net sales of \$18.6 million for the 39 weeks ended November 2, 2013. In March 2013, we also re-acquired ten stores previously operated under our Sportsman's Warehouse banner that are located in Montana, Oregon and Washington. For the 39 weeks ended November 2, 2013, these ten stores generated \$73.8 million in net sales. Existing stores that were not included in same store sales generated \$11.4 million in net sales for the 39 week period ended November 2, 2013.

Net sales from our e-commerce business increased by \$2.0 million, or 66.7%, from \$3.0 million for the 39 weeks ended October 27, 2012 to \$5.0 million for the 39 weeks ended November 2, 2013.

Gross Profit. Gross profit increased by \$46.0 million, or 44.1%, to \$150.3 million for the 39 weeks ended November 2, 2013 from \$104.3 million for the 39 weeks ended October 27, 2012. Gross profit increased as a result of the increased net sales we experienced for the 39 weeks ended November 2, 2013. As a percentage of net sales, gross profit increased by 1.3% to 32.2% for the 39 weeks ended November 2, 2013 from 30.9% for the comparable period of the prior year. We believe the increase in our gross margin for the 39 weeks ended November 2, 2013 represents the shift we had been seeing to higher margin products, such as clothing and footwear, prior to the latter part of fiscal year 2012. Our gross margin slightly decreased in fiscal year 2012 compared to fiscal year 2011 because of the shift in sales to firearms and ammunitions in the latter part of fiscal year 2012, which offset the increase in gross margin we had otherwise been experiencing. We believe the increase in gross margin for the 39 weeks ended November 2, 2013 is more reflective of our recent trends in product sales mix.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$29.5 million, or 38.3%, to \$106.6 million for the 39 weeks ended November 2, 2013 from \$77.1 million for the 39 weeks ended October 27, 2012. The increase in these expenses resulted primarily from the increased net sales we experienced for the 39 weeks ended November 2, 2013. Our payroll and rent increased \$13.2 million and \$8.0 million, respectively, from the comparable period of the prior year, in part as a result of the opening of four new stores and the acquisition of ten stores during the 39 weeks ended November 2, 2013. In addition, we incurred \$2.3 million in acquisition expenses associated with the purchase of the ten stores in March 2013. Selling, general and administrative expenses were 22.8% of net sales for both the 39 weeks ended November 2, 2013 and the 39 weeks ended October 27, 2012. Excluding the acquisition expenses, selling, general and administrative expenses decreased as a percentage of net sales due to continued labor efficiencies achieved from increased net sales, with labor costs decreasing as a percentage of net sales by approximately 0.6%.

Interest Expense. Interest expense increased by \$16.8 million to \$19.9 million for the 39 weeks ended November 2, 2013 from \$3.1 million for comparable period of the prior year. Interest expense increased because of our higher debt balance throughout the 39 weeks ended November 2, 2013, a prepayment penalty of \$2.5 million on the repayment of our term loan and the write-off of debt issuance costs and other non-cash charges of \$2.6 million. We entered into a \$125.0 million term loan in November 2012 and subsequently refinanced it in August 2013 with a new \$235.0 million term loan facility.

Income Taxes. We had income tax expense of \$9.4 million for the 39 weeks ended November 2, 2013 compared to income tax expense of \$9.5 million in the comparable period of the prior year. Our effective tax rate for the 39 weeks ended November 2, 2013 decreased from the effective tax rate for fiscal year 2012, from 40.5% to 39.6%, because of a reduction in non-deductible interest associated with debt that was repaid at the beginning of fiscal year 2013.

Fiscal Year 2012 Compared to Fiscal Year 2011

Net Sales. Net sales increased by \$150.3 million, or 39.9%, to \$526.9 million in fiscal year 2012 compared to \$376.6 million in fiscal year 2011. Each of our departments recognized an increase in net sales from fiscal year 2011, with the largest increase generated by our hunting and shooting department, which had an increase in net sales of \$107.3 million. The increase in net sales in our hunting and shooting department resulted primarily from increased demand for firearms that occurred largely during the fourth fiscal quarter of fiscal year 2012, due in part to the public perception that federal or state legislation might be enacted that would potentially make it more difficult to purchase certain firearms. Our net sales were also supplemented by an increase in customer visits. The number of customer visits to our stores increased by 2.8 million, or 21.9%, to approximately 15.6 million customer visits for fiscal year 2012 compared to 12.8 million customer visits for fiscal year 2011. Net sales also increased for fiscal year 2012 also because of an additional week in fiscal year 2012. The 53rd week of fiscal year 2012 generated net sales of \$8.1 million.

We had an increase in same store sales on a 52-week to 52-week basis of \$94.9 million, or 25.4% (or 19.8% excluding net sales of firearms), to \$468.0 million in fiscal year 2012 from \$373.1 million in fiscal year 2011. Our same store sales increased 16.2% during our first three fiscal quarters of fiscal year 2012 compared to the same period in fiscal year 2011 resulting from an overall general increase in demand for our products. Our same store sales increased 47.6% (or 35.6% excluding net sales of firearms) during the fourth fiscal quarter of fiscal year 2012 compared to the same period in fiscal year 2011 on a 13-week to 13-week basis. The pronounced increase in the fourth quarter of fiscal year 2012 resulted primarily from the increase in net sales of firearms and ammunition as described above. We had 29 stores included in our same store sales calculation as of February 2, 2013.

During fiscal year 2012, we opened four new stores in the following locations: Redding, California; Las Vegas, Nevada; Roanoke, Virginia; and Nampa, Idaho. These four new locations generated net sales of \$39.2 million for fiscal year 2012. Existing stores that were not included in same store sales generated \$6.1 million in net sales in fiscal year 2012 and \$0.8 million in net sales in fiscal year 2011.

Net sales from our e-commerce business increased by \$2.8 million, or 103.7%, from \$2.7 million in fiscal year 2011 to \$5.5 million in fiscal year 2012.

Gross Profit. Gross profit increased by \$45.4 million, or 38.7%, to \$162.6 million in fiscal year 2012 from \$117.2 million in fiscal year 2011. Gross profit increased as a result of the increased net sales we experienced for fiscal year 2012, in particular the increase in net sales for firearms and ammunition. As a percentage of net sales, gross profit decreased to 30.9% in fiscal year 2012 from 31.1% in fiscal year 2011 primarily as a result of a temporary shift in the sales mix within the hunting and shooting department to lower margin firearm and ammunition products. This decrease in gross margin was mostly offset by the other five departments in our stores achieving an increase in gross margin in fiscal year 2012 compared to fiscal year 2011.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$19.7 million, or 22.0%, to \$109.4 million in fiscal year 2012 from \$89.7 million in fiscal year 2011. The increase in these expenses resulted primarily from the increased net sales we experienced for fiscal year 2012, and in particular our payroll and other operating expenses, which increased \$9.2 million and \$6.1 million, respectively, from the prior year. Selling, general and administrative expenses were 20.8% of net sales in fiscal year 2012, compared to 23.8% in fiscal year 2011. Selling, general and administrative expenses decreased as a percentage of net sales due to labor efficiencies achieved from increased net sales, with labor costs decreasing as a percentage of net sales by approximately 2.0%. In addition, fixed rent expense decreased by 0.8% as a percentage of net sales.

Interest Expense. Interest expense increased by \$1.9 million, or 43.2%, to \$6.3 million for fiscal year 2012 from \$4.4 million for fiscal year 2011. The increase in interest expense in fiscal year 2012 resulted primarily

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from the interest incurred on the \$125.0 million secured term loan we entered into in November 2012, partially offset by reduced net borrowings on our revolving credit facility.

Income Taxes. We had income tax expense of \$19.1 million for fiscal year 2012 compared to an income tax benefit of \$11.5 million in fiscal year 2011. At the end of fiscal year 2011, we reversed the valuation allowance against our deferred tax assets, which resulted in the income tax benefit for fiscal year 2011. Our management determined that the valuation allowance could be reversed because of facts and circumstances that they believed would lead to the generation of future taxable income that would more likely than not allow for the utilization of the deferred tax assets.

Quarterly Results of Operations and Seasonal Influences

Due to holiday buying patterns and the openings of hunting and fishing season across the country, net sales are typically higher in the third and fourth fiscal quarters than in the first and second fiscal quarters. We also incur additional expenses in the third and fourth fiscal quarters due to higher volume and increased staffing in our stores. We anticipate our net sales will continue to reflect this seasonal pattern.

The timing of our new retail store openings also may have an impact on our quarterly results. First, we incur certain one-time expenses related to opening each new retail store, all of which are expensed as they are incurred. Second, most store expenses generally vary proportionately with net sales, but there is also a fixed cost component, which includes occupancy costs. These fixed costs typically result in lower store profitability during the initial period after a new retail store opens. Due to both of these factors, new retail store openings may result in a temporary decline in operating profit, in dollars and/or as a percentage of net sales.

Weather conditions affect outdoor activities and the demand for related clothing and equipment. Customers' demand for our products, and, therefore, our net sales, can be significantly impacted by weather patterns on a local, regional and national basis.

The following table sets forth unaudited financial and operating data for each fiscal quarter of fiscal year 2012 and the first three fiscal quarters of fiscal year 2013. This quarterly information has been prepared on a basis consistent with our audited financial statements and includes all normal recurring adjustments that we consider necessary for a fair presentation of the information shown. This information should be read in conjunction with our selected financial data, audited consolidated financial statements, unaudited interim consolidated financial statements and the related notes included elsewhere in this prospectus. Our quarterly operating results may fluctuate significantly as a result of the factors described above and a variety of other factors, and operating results for any fiscal quarter are not necessarily indicative of results for a full fiscal year.

	Fiscal Year 2013			Fiscal Year 2012			
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter(1)	Third Quarter	Second Quarter	First Quarter
	(unaudited)						
	(in thousands, except per share data, percentages and number of stores)						
Net sales	\$175,059	\$155,856	\$136,520	\$189,015	\$129,864	\$113,005	\$95,058
Gross profit	55,223	52,192	42,931	58,465	40,141	36,618	27,392
Income from operations(2)	16,983	16,050	10,616	26,735	13,030	10,590	3,117
Net income(3)	2,222	7,657	4,459	13,970	7,369	5,525	1,210
Earnings per share	0.19	0.66	0.39	1.21	0.64	0.48	0.10
As a percentage of full year results:							
Net sales	n/a	n/a	n/a	35.9%	24.6%	21.4%	18.1%
Gross profit	n/a	n/a	n/a	36.0	24.7	22.5	16.8
Income from operations	n/a	n/a	n/a	50.0	24.4	19.8	5.8
Net income	n/a	n/a	n/a	49.8	26.2	19.7	4.3
Operating data:							
Number of stores open at end of period	47	46	45	33	33	32	32

- (1) Contains 14 weeks.
- (2) Includes acquisition costs of \$7, \$154 and \$2,170 (in thousands) for the third, second and first quarters of fiscal year 2013, respectively.
- (3) Includes, for the third quarter of fiscal year 2013, a prepayment penalty of \$2.5 million on the repayment of our term loan and the write-off of debt issuance costs of \$2.4 million.

Liquidity and Capital Resources

Our primary capital requirements are for seasonal working capital needs and capital expenditures related to opening new stores. Our sources of liquidity to meet these needs have primarily been borrowings under our revolving credit facility, operating cash flows and short and long-term debt financings from banks and financial institutions. We believe that our cash on hand, cash generated by operating activities and funds available under our revolving credit facility will be sufficient to finance our operating activities for at least the next twelve months.

Our expected future capital expenditure requirements consist of funding the expansion of our store base, continuing to fully equip our recently opened distribution center and maintenance capital expenditures.

Cash flows from operating, investing and financing activities are shown in the following table:

	Thirty-Nine Weeks Ended		Fiscal Year Ended	
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012
	(in thousands)			
Cash flows from operating activities	\$ (40,670)	\$ (1,278)	\$ 61,899	\$ 15,055
Cash flows from investing activities	(63,422)	39,528	38,343	(6,641)
Cash flows from financing activities	67,982	(34,443)	(63,970)	(9,729)
Cash and cash equivalents at end of period	405	4,050	36,515	243

Net cash used in operating activities was \$40.7 million for the 39 weeks ended November 2, 2013, compared to net cash provided by operating activities of \$61.9 million and \$15.1 million for fiscal years 2012 and 2011, respectively. Our net cash used in operating activities for the 39 weeks ended November 2, 2013 changed from net cash provided by operating activities in fiscal year 2012 primarily because we increased our net inventory levels by \$75.2 million and paid income taxes of \$17.0 million. Our net cash provided by operating activities for fiscal year 2012 was greater than fiscal year 2011 primarily because of decreased inventory levels in fiscal year 2012 resulting from the significant increase in sales activity.

Net cash used in investing activities was \$63.4 million for the 39 weeks ended November 2, 2013. Approximately \$47.8 million of this total was used to acquire the ten stores in March 2013. The remaining balance of \$16.6 million consisted of capital expenditures. Capital expenditures increased over fiscal year 2012 because of remodel costs associated with the acquired stores and equipment and racking required for our new distribution center. Net cash provided by investing activities was \$38.3 million for fiscal year 2012 and net cash used in investing activities was \$6.6 million for fiscal year 2011. Our capital expenditures were relatively stable between fiscal years 2012 and 2011, but we received gross proceeds of approximately \$45.2 million from a sale-leaseback transaction of six of our stores in fiscal year 2012 that resulted in the increase in cash provided by investing activities in fiscal year 2012.

Net cash provided by financing activities was \$68.0 million for the 39 weeks ended November 2, 2013, compared to net cash used in financing activities of \$64.0 million and \$9.7 million for fiscal years 2012 and 2011, respectively. During the 39 weeks ended November 2, 2013, we refinanced our prior \$125.0 million term loan with a new \$235.0 million term loan facility and paid a dividend of approximately \$101.0 million with the net proceeds from this refinance. In addition, we had net borrowings of approximately \$57.3 million during the

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39 weeks ended November 2, 2013 on our revolving credit facility. In fiscal year 2012, we repaid more of our long-term obligations than in fiscal year 2011, including repayment of approximately \$19.0 million in mortgage indebtedness in connection with the sale-leaseback transaction of six of our stores in fiscal year 2012. We also entered into a \$125.0 million new term loan facility in fiscal year 2012. We used part of the proceeds of the term loan and the sale-leaseback transaction to pay a dividend of approximately \$120.3 million to our stockholders during fiscal year 2012.

Our long-term debt consists of our senior secured revolving credit facility and senior secured term loans.

Senior Secured Revolving Credit Facility. We have a senior secured revolving credit facility with Wells Fargo Bank, National Association that provides for borrowings in the aggregate amount of up to \$105.0 million, subject to a borrowing base calculation. All borrowings under the revolving credit facility are limited to a borrowing base equal to (1) the lesser of (a) 90% of the net orderly liquidation value of our eligible inventory and (b) 75% of the lower of cost or market value of our eligible inventory, plus (2) 90% of the eligible accounts receivable, less certain reserves against outstanding gift cards, layaway deposits and amounts outstanding under commercial letters of credit, each term as defined in the credit agreement. As of November 2, 2013, \$29.4 million was available for borrowing and \$64.7 million was outstanding under the revolving credit facility. The revolving credit facility matures on August 20, 2018.

Each of the subsidiaries of Sportsman's Warehouse Holdings, Inc., or Holdings, is a borrower under the revolving credit facility, and all obligations under the revolving credit facility are guaranteed by Holdings. All of our obligations under the revolving credit facility are secured by a lien on substantially all of Holdings' tangible and intangible assets and the tangible and intangible assets of all of our subsidiaries, including a pledge of all capital stock of each of our subsidiaries. The lien securing the obligations under the revolving credit facility is a first priority lien as to certain liquid assets, including cash, accounts receivable, deposit accounts and inventory. In addition, the credit agreement contains provisions that enable Wells Fargo to require us to maintain a lock-box for the collection of all receipts.

Borrowings under the revolving credit facility bear interest based on either, at our option, the base rate or LIBOR, in each case plus an applicable margin. The base rate is the higher of (1) Wells Fargo's prime rate, (2) the federal funds rate (as defined in the credit agreement) plus 0.50% and (3) the one-month LIBOR (as defined in the credit agreement) plus 1.00%. The applicable margin for loans under the revolving credit facility, which varies based on the average daily availability, ranges from 0.75% to 1.25% per year for base rate loans and from 1.75% to 2.25% per year for LIBOR loans. The weighted average interest rate on the amount outstanding under the revolving credit facility as of November 2, 2013 was 2.2%.

Interest on base rate loans is payable monthly in arrears and interest on LIBOR loans is payable based on the LIBOR interest period selected by us, which can be 30, 60 or 90 days. All amounts that are not paid when due under our revolving credit facility will accrue interest at the rate otherwise applicable plus 2.00% until such amounts are paid in full.

We may be required to make mandatory prepayments under the revolving credit facility in the event of a disposition of certain property or assets, in the event of receipt of certain insurance or condemnation proceeds, upon the issuance of certain debt or equity securities, including this offering, upon the incurrence of certain indebtedness for borrowed money or upon the receipt of certain payments not received in the ordinary course of business. The revolving credit facility requires us to use the proceeds from this offering to repay any amounts outstanding under the revolving credit facility. We intend to seek a waiver from Wells Fargo of this requirement prior to completion of this offering.

The revolving credit facility contains customary affirmative and negative covenants, including covenants that limit our ability to incur, create or assume certain indebtedness, to create, incur or assume certain liens, to make certain investments, to make sales, transfers and dispositions of certain property and to undergo certain

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fundamental changes, including certain mergers, liquidations and consolidations. The revolving credit facility also requires us to maintain a minimum availability at all times of not less than 10% of the gross borrowing base, and in any event, not less than \$5.0 million. The revolving credit facility also contains customary events of default. As of November 2, 2013, we were in compliance with all covenants under the revolving credit facility.

Senior Secured Term Loans. Sportsman's Warehouse, Inc. entered into a \$235.0 million senior secured term loan facility, consisting of a \$185.0 million tranche and a \$50.0 million tranche, with Credit Suisse AG as administrative agent and collateral agent, on August 20, 2013. The term loans have a maturity date of August 20, 2019.

All of Sportsman's Warehouse, Inc.'s obligations under the term loans are guaranteed by Holdings, Minnesota Merchandising Corporation, a wholly owned subsidiary of Holdings, and each of Sportsman's Warehouse, Inc.'s subsidiaries. All obligations under the term loans are secured by a lien on substantially all of Holdings' tangible and intangible assets and the tangible and intangible assets of all of our subsidiaries. The lien securing the obligations under the term loans is a first priority lien as to certain non-liquid assets, including equipment, intellectual property, proceeds of assets sales and other personal property.

Sportsman's Warehouse, Inc. must make quarterly principal payments of \$0.6 million on the last business day of each fiscal quarter through maturity. On the maturity date, Sportsman's Warehouse, Inc. must pay all outstanding principal remaining on both tranches of the term loan facility, together with any accrued and unpaid interest. As of November 2, 2013, there was \$234.4 million outstanding under the term loans.

Sportsman's Warehouse, Inc. may be required to make mandatory prepayments on the term loans in the event of, among other things, certain asset sales, the receipt of payment in respect of certain insurance claims or upon the issuance or incurrence of certain indebtedness. After the completion of fiscal year 2014, Sportsman's Warehouse, Inc. may also be required to make mandatory prepayments based on any excess cash flows as defined in the term loan agreement.

The term loans bear interest at a rate per annum equal to the one-, two-, three-, or six-month LIBOR (or, if available to all relevant lenders, the nine- or twelve-month LIBOR), as defined in the term loan agreement, at Sportsman's Warehouse, Inc.'s election, which cannot be less than 1.25%, plus an applicable margin of 6.00% and 10.75% for the \$185.0 million tranche and \$50.0 million tranche, respectively. Since LIBOR has been less than 1.25% since the inception of the term loans through November 2, 2013, the interest rates have been fixed at 7.25% and 12.0% on the \$185.0 million tranche and \$50.0 million tranche, respectively.

The term loans contain customary affirmative and negative covenants, including covenants that limit our ability to incur, create or assume certain indebtedness, to incur or assume certain liens, to purchase, hold or acquire certain investments, to declare or make certain dividends and distributions and to engage in certain mergers, consolidations and asset sales. The term loans also require us to comply with specified financial covenants, including a minimum interest coverage ratio and a maximum total net leverage ratio. The term loans also contain customary events of default. As of November 2, 2013, we were in compliance with all covenants under the term loans.

Prior to August 20, 2013, Sportsman's Warehouse, Inc. had a \$125.0 million term loan that bore interest equal to the three-month LIBOR, which could not be less than 1.50%, plus an applicable margin of 7.00%. The interest rate on this term loan was fixed at 8.5% during fiscal year 2013 until we repaid it on August 20, 2013, because LIBOR was never more than 1.50% during that time.

Critical Accounting Policies

Our financial statements are prepared in accordance with generally accepted accounting principles in the United States, or GAAP. In connection with the preparation of the financial statements, we are required to make

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assumptions, make estimates and apply judgment that affect the reported amounts of assets, liabilities, revenue, expenses and the related disclosures. We base our assumptions, estimates and judgments on historical experience, current trends and other factors that we believe to be relevant at the time the consolidated financial statements are prepared. On a regular basis, we review the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are presented fairly and in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material.

Our significant accounting policies are discussed in Note 2 of the Notes to our consolidated financial statements included elsewhere in this prospectus. We believe that the following accounting policies are the most critical to aid in fully understanding and evaluating our reported financial results.

Revenue Recognition

We recognize revenue on our retail sales at the time of the sale in the store. We record a reserve for estimated product returns in each reporting period based on our historical experience. Our policy regarding gift cards sold is to record revenue as the gift cards are redeemed for merchandise. Prior to their redemption, the gift cards are recorded as a liability. Gift card breakage income is recognized based upon historical redemption patterns and represents the balance of gift cards for which we believe the likelihood of redemption by the customer is remote. During fiscal year 2011 and fiscal year 2012 and for the 39 weeks ended November 2, 2013, we recognized \$0.2 million, \$17,000 and \$0 of gift card breakage income, respectively. We include gift card breakage income as a reduction in selling, general and administrative expenses.

Inventory Valuation

We value our inventory at the lower of cost or market. Cost is determined using the weighted average cost method. We estimate a provision for inventory shrinkage based on our historical inventory accuracy rates as determined by periodic cycle counts. The allowance for damaged goods from returns is based upon our historical experience. We also adjust inventory for obsolete or slow moving inventory based on inventory productivity reports and by specific identification of obsolete or slow moving inventory.

Valuation of Long-Lived Assets

We review our long-lived assets with definite lives for impairment whenever events or changes in circumstances may indicate that the carrying value of an asset may not be recoverable. We use an estimate of the future undiscounted net cash flows of the related asset or group of assets over their remaining useful lives in measuring whether the assets are recoverable. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount exceeds the estimated fair value of the asset. Impairment of long-lived assets is assessed at the lowest levels for which there are identifiable cash flows that are independent of other groups of assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less the estimated costs to sell. No impairment charge to long-lived assets was recorded during fiscal year 2012 or for the 39 weeks ended November 2, 2013.

Off Balance Sheet Arrangements

We are not party to any off balance sheet arrangements.

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Contractual Obligations

The following table summarizes our contractual obligations as of February 2, 2013 and the effect such obligations are expected to have on our liquidity and cash flows in future periods.

	Total	Payments Due by Period			
		Less than 1 year	1-3 years (in thousands)	3-5 years	More than 5 years
Long-term debt obligations(1)(2)	\$ 187,559	\$ 14,682	\$ 23,529	\$ 23,296	\$ 126,052
Operating lease obligations(3)	249,057	26,657	53,541	50,404	118,455
Standby letters of credit	400	400	—	—	—
Purchase obligations(4)(5)	1,941	1,044	754	143	—

(1) Long-term debt obligations do not reflect the amounts outstanding under our revolving credit facility, because those amounts are considered current liabilities, and do not reflect any mandatory prepayments of our term loans that may be required upon the occurrence of certain events, which are described above under “—Liquidity and Capital Resources.” Long-term obligations include interest to be paid until maturity. For loans that have variable rate interest, we have calculated future interest obligations based on the interest rate for that loan as of February 2, 2013.

(2) During the 39 weeks ended November 2, 2013, we refinanced our \$125.0 million term loan with a new \$235.0 million term loan facility. As a result of this refinancing, the amounts shown for long-term debt obligations in the table above are increased by the following amounts, which include interest on the new \$235.0 million term loan facility:

	Amount (in thousands)
Remainder of 2013	\$ 5,500
1-3 Years	19,571
3-5 Years	16,222
More than 5 Years	121,250
Total	\$ 162,543

(3) Operating lease obligations in the table above include the leases for the four new stores we opened and the ten stores we acquired during the 39 weeks ended November 2, 2013. Since February 2, 2013, we have executed additional lease contracts for new stores to be opened in fiscal year 2014 and modified one existing lease contract in the 39 weeks ended November 2, 2013 that will increase our operating lease obligations from the amounts shown in the table above by the following amounts:

	Amount (in thousands)
Remainder of 2013	\$ (224)
1-3 Years	3,847
3-5 Years	4,610
More than 5 Years	16,603
Total	\$ 24,836

(4) In the ordinary course of business, we enter into arrangements with vendors to purchase merchandise in advance of expected delivery. Because these purchase orders do not contain any termination payments or other penalties if cancelled, they are not included in this table of contractual obligations. In accordance with U.S. generally accepted accounting principles, these obligations are not recorded in our financial statements.

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- (5) We have entered into additional contractual agreements, primarily marketing and IT-related agreements, since February 2, 2013 that will increase our purchase obligations from the amounts shown in the table above by the following amounts:

	<u>Amount</u> <u>(in thousands)</u>
Remainder of 2013	\$ 300
1-3 Years	715
3-5 Years	—
More than 5 Years	—
Total	<u>\$ 1,015</u>

Non-GAAP Measures

In evaluating our business, we use Adjusted EBITDA as a supplemental measure of our operating performance. We define Adjusted EBITDA as net income plus interest expense, income tax expense (benefit), depreciation and amortization, bankruptcy-related expenses (benefit) and certain one-time, non-recurring expenses, such as expenses related to the acquisition of ten stores in fiscal year 2013, start-up costs for our e-commerce platform and pre-opening expenses. We consider Adjusted EBITDA an important supplemental measure of our operating performance and believe it is frequently used by analysts, investors and other interested parties in the evaluation of companies in our industry. Other companies in our industry, however, may calculate Adjusted EBITDA differently than we do. Management also uses Adjusted EBITDA as an additional measurement tool for purposes of business decision-making, including evaluating store performance, developing budgets, and managing expenditures.

Adjusted EBITDA is not defined under GAAP and is not a measure of operating income, operating performance or liquidity presented in accordance with GAAP. Adjusted EBITDA has limitations as an analytical tool, and when assessing our operating performance, you should not consider Adjusted EBITDA in isolation or as a substitute for net income or other consolidated income statement data prepared in accordance with GAAP. Some of these limitations include, but are not limited to:

- Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- Adjusted EBITDA may be defined differently by other companies, and, therefore, it may not be directly comparable to the results of other companies in our industry;
- Adjusted EBITDA does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; and
- Adjusted EBITDA does not reflect income taxes or the cash requirements for any tax payments.

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The following table presents a reconciliation of net income, the most directly comparable financial measure presented in accordance with GAAP, to Adjusted EBITDA for the 39 weeks ended November 2, 2013 and October 27, 2012 and fiscal years 2012 and 2011.

	Thirty-Nine Weeks Ended		Fiscal Year Ended	
	November 2, 2013	October 27, 2012	February 2, 2013	January 28, 2012
	(in thousands)			
Net income	\$ 14,339	\$ 14,104	\$ 28,074	\$ 33,694
Plus:				
Income tax expense (benefit)	9,417	9,498	19,076	(11,467)
Interest expense	19,894	3,135	6,321	4,392
Depreciation and amortization	4,355	2,671	3,431	3,108
Bankruptcy-related expenses (benefit)(1)	55	385	(263)	919
Acquisition expenses(2)	2,331	—	959	—
E-commerce start-up costs	—	—	—	126
Pre-opening expenses(3)	1,071	1,201	1,441	774
Adjusted EBITDA	<u>\$ 51,462</u>	<u>\$ 30,994</u>	<u>\$ 59,039</u>	<u>\$ 31,546</u>

- (1) On March 21, 2009, Sportsman's Warehouse Holdings, Inc. and its subsidiaries filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code, seeking to reorganize the business under the provisions of the Bankruptcy Code. The plan of reorganization under the Bankruptcy Code was confirmed by the United States Bankruptcy Court for the District of Delaware on July 30, 2009 and became effective when all material conditions of the plan of reorganization were satisfied on August 14, 2009. We incurred certain costs related to our restructuring and emergence from Chapter 11 bankruptcy and included a liability as part of the reorganization value at August 14, 2009, the date of emergence from bankruptcy. Bankruptcy-related expenses are those amounts that are greater than the initial estimated restructuring costs, whereas bankruptcy-related benefits are those amounts that are less than the initial estimated costs. They are expensed as incurred.
- (2) Acquisition expenses for the 39 weeks ended November 2, 2013 relate to the costs associated with the acquisition of our ten previously operated stores in Montana, Oregon and Washington. Acquisition expenses for fiscal year 2012 relate to legal and consulting expenses related to potential merger and acquisition activity.
- (3) Pre-opening expenses include one-time non-recurring expenses incurred in the preparation and opening of a new store location, such as payroll, travel and supplies, but do not include the cost of the initial inventory or capital expenditures required to open a location. For the periods presented, these pre-opening costs were not concentrated in any quarter.

Recent Accounting Pronouncements

For a description of a complete list of recent accounting pronouncements, see the notes to our consolidated financial statements included elsewhere in this prospectus.

Quantitative and Qualitative Disclosures about Market Risk

Our principal exposure to market risk relates to changes in interest rates. Our revolving credit facility and term loans carry floating interest rates that are tied to LIBOR, the federal funds rate and the prime rate, and, therefore, our income and cash flows will be exposed to changes in interest rates to the extent that we do not have effective hedging arrangements in place. We historically have not used interest rate swap agreements to hedge the variable cash flows associated with the interest on our credit facilities. At November 2, 2013, the weighted average interest rate on our borrowings under our revolving credit facility was 2.19%. As long as LIBOR is less than 1.25%, the interest rates on our \$185.0 million term loan and \$50.0 million term loan will be fixed at 7.25% and 12.0%, respectively. Since we entered into the term loan facility on August 20, 2013, LIBOR has not exceeded 1.25%. Based on a sensitivity analysis at November 2, 2013, assuming the amount outstanding under our revolving credit facility would be outstanding for a full year and without giving effect to any prepayment of our term loans with the proceeds from this offering, a 100 basis point increase in interest rates would increase our annual interest expense by approximately \$0.6 million. We do not use derivative financial instruments for speculative or trading purposes. However, this does not preclude our adoption of specific hedging strategies in the future.

BUSINESS

Overview

Sportsman’s Warehouse is a high-growth outdoor sporting goods retailer focused on meeting the everyday needs of the seasoned outdoor veteran, the first-time participant and every enthusiast in between. Our mission is to provide a one-stop shopping experience that equips our customers with the right hunting, shooting, fishing and camping gear to maximize their enjoyment of the outdoors. We strive to accomplish this goal by tailoring our broad and deep merchandise assortment to meet local conditions and demand, offering everyday low prices, providing friendly support from our knowledgeable, highly trained staff and offering extensive in-store events and educational programming. These core strategies help position Sportsman’s Warehouse as the “local outdoor experts” and the preferred place to both shop and share outdoor-based experiences in the communities we serve. As a result, we are expanding our loyal customer base in existing markets and increasing our store footprint in new markets, which we believe will further drive our growth and profitability.

Sportsman’s Warehouse was founded in 1986 as a single retail store in Midvale, Utah and has grown to 47 stores across 18 states. Today, we have the largest outdoor specialty store base in the Western United States and Alaska. Our stores range from 30,000 to 65,000 gross square feet, with an average size of approximately 48,000 gross square feet. Our store layout is adaptable to both standalone locations and strip centers, and we believe it is less capital-intensive than that of our principal competitors. Together, these features enable us to effectively serve markets of multiple sizes, from Metropolitan Statistical Areas, or MSAs, with populations of less than 75,000 to major metropolitan areas with populations in excess of 1,000,000, while generating consistent four-wall Adjusted EBITDA margins and returns on invested capital across a range of store sales volumes.

Our Competitive Strengths

We believe the following competitive strengths allow us to capitalize on the growth opportunity within the outdoor activities and sporting goods market:

Differentiated Shopping Experience for the Seasoned Outdoor Veteran, the First-Time Participant and Every Enthusiast in Between. We place great emphasis on creating an inviting and engaging store experience for customers of all experience levels. For the seasoned outdoor veteran, we offer a one-stop, convenient store layout that promotes “easy-in, easy-out” access to replenish supplies, learn about local conditions and test products. We also serve first-time participants and casual users who are interested in enjoying the outdoors but enter our store without a clear sense for what equipment they need for their chosen activity. Our highly trained employees, who often are outdoor enthusiasts themselves and users of the products we sell, engage and interact with our customers in order to educate them and equip them with the right gear. Our sales associates draw upon both formal vendor sales training as well as first-hand experiences from using our products in local conditions. This selling approach allows us to offer a broad range of products and to deliver a shopping experience centered on the customer’s needs, which we believe results in increased customer loyalty, repeat visits and frequent referrals to other potential customers.

A customer’s shopping experience in our stores is further enhanced by a variety of helpful in-store offerings and features, including the issuance of hunting and fishing licenses, local fishing reports, availability of Sportsman’s News (our proprietary in-store newspaper), access to the Braggin’ Board (where customers can post photos of their outdoor adventures), indoor test ranges for archery equipment and displays of customer-owned taxidermy. In addition, we host a variety of in-store programs (such as “ladies night”), contests (such as Bucks & Bulls, a free-to-enter, big-game trophy contest) and a wide range of instructional seminars, from turkey frying to firearm operation and safety. These programs are all designed to help our customers connect with the outdoors and build the skill sets necessary to maximize enjoyment of their chosen activities. As a result, we believe our stores often serve as gathering spots where local enthusiasts can share stories, product knowledge and advice on outdoor recreation activities, which both drives traffic and fosters customer loyalty.

Locally Relevant Merchandise Serving the Comprehensive Needs of Outdoor Enthusiasts at a Compelling Value. We offer our customers an extensive and carefully selected assortment of branded, high-quality outdoor products at competitive prices. We accomplish this in three principal ways:

- **Locally Relevant Merchandise:** We carry over 70,000 SKUs on average in each store, out of a pool of approximately 130,000 total SKUs. Each store's merchandise is tailored to meet local conditions and consumer demand, taking into account seasonal requirements, regional game and fishing species, geographic diversity, weather patterns and key demographic factors, so that our customers have the right product, at the right time, for the right location.
- **Breadth and Mix of Product Assortment:** Our merchandise strategy is designed to serve a variety of purchasing occasions, from big-ticket items to replenishment activity, as well as to meet the wide-ranging needs of customers from first-time participants to seasoned outdoor veterans. We pride ourselves on carrying an extensive selection of branded, "good, better and best" hard goods at everyday low prices, including a broad array of in-stock consumable items. Approximately 36% of our unit sales and 21% of our dollar sales during the 53-week period ended November 2, 2013 were consumable goods, such as ammunition, bait, cleaning supplies, food, lures, propane and reloading supplies. We believe this pairing of product breadth and consumable goods appeals to a broad range of customers and drives both repeat traffic and increased average ticket value.
- **Strong Vendor Relationships:** We believe our vendors find our "brand-centric," high-service store concept to be unique among national specialty outdoor retailers. Our attractive store locations, consistent presentation of merchandise and thorough product training present a compelling opportunity for our vendors to offer their brands to local markets that historically have been served primarily by "mom & pop" retailers. As a result, we believe we are able to negotiate terms with our vendors that are similar to those offered to our principal competitors that are larger in size. We share the benefits of these strategic vendor relationships with our customers through better pricing and enhanced access to certain products that are limited in production.

Flexible and Adaptable Real Estate Strategy. We believe that our store model, combined with our rigorous site selection process, is uniquely customizable to address the needs of the different markets we serve. Our stores can vary in size from 30,000 to 65,000 gross square feet. We have had success with leasing existing sites as well as constructing new build-to-suit sites. Our flexible store model permits us to serve both large metropolitan areas, like Phoenix, Arizona, and smaller MSAs, like Soldotna, Alaska, while generating consistent four-wall Adjusted EBITDA margins and returns on invested capital across a range of store sales volumes. In small- to medium-sized markets, we are often able to establish ourselves as a standalone destination for our customers; in larger markets, we have successfully leveraged existing infrastructure to open stores in shopping plazas near complementary retailers, drawing upon existing foot traffic. We believe our low-cost, flexible model allows us to access both large and small markets more economically than many of our peers.

We maintain a disciplined approach to new store development and perform comprehensive market research before selecting a new site, including partnering with specialized, third-party local real estate firms. We select sites based on criteria such as local demographics, traffic patterns, density of hunting and fishing license holders in the area, abundance of hunting and fishing game and outdoor recreation activities, store visibility and accessibility, purchase data from our existing customer database and availability of attractive lease terms. We have established productive relationships with well-regarded commercial real estate firms and believe that we are a sought-after tenant, given the strength of the Sportsman's Warehouse brand, the high volume of customers that visit our stores and our flexible approach to site locations. As a result, we continue to have access to desirable retail sites on attractive terms.

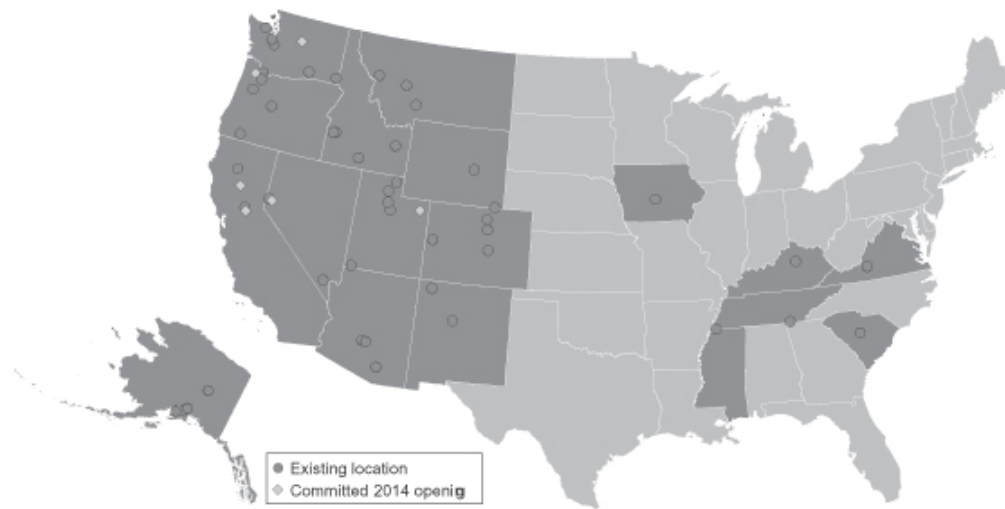
Low Cost Operating Structure with Attractive and Replicable Store Economics. We strive to maintain a lower operating cost structure than our principal competitors, which allows us to serve small- to medium-sized markets as well as larger MSAs. We achieve this by exercising tight control over store-level expenses, real estate costs and corporate overhead. In addition, our growing store base, efficient, localized marketing spend and "no

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frills” warehouse store layout help us maintain comparatively low operating costs and provide us with the opportunity to achieve double-digit four-wall Adjusted EBITDA margins for stores in most new markets. Our typical new store requires an average net investment of approximately \$2.0 million, which includes store build-out (net of contributions from landlords) and pre-opening cash expenditures. In addition, we stock each store with an average cost of initial inventory of approximately \$2.4 million. We target a pre-tax return on invested capital within one year after opening of over 50% excluding initial inventory cost (or over 20% including initial inventory cost), although our historical returns have often exceeded these thresholds. For fiscal year 2012, all of our stores that have been open for more than twelve months had double-digit Adjusted EBITDA margins. We believe this low-cost, capital-efficient approach also allows us to successfully serve markets that are not well-suited for the more capital-intensive store models of our principal competitors. Approximately 55% of our markets currently lack another nationally recognized outdoor specialty retailer, which we believe is a result of these dynamics.

Significant New Store Growth Opportunity within Existing and New Markets. We operate 47 stores across 18 states, primarily in the Western United States and Alaska, with a presence in these markets that is over three times that of the next largest outdoor retailer. We believe our leadership position in the Western United States, combined with our existing scalable infrastructure, provides a strong foundation for continued expansion within our core markets.

The diagram below reflects our current store footprint as of December 10, 2013:



Passionate and Experienced Management Team with Proven Track Record. We are focused on delivering an unsurpassed shopping experience to anyone who enjoys the excitement of the outdoors. This passion and commitment is shared by team members throughout our entire organization, from senior management to the employees in our stores. Our senior management team has an average of 18 years of retail experience, with extensive capabilities across a broad range of disciplines, including merchandising, real estate, finance, compliance, store operations, supply chain management and information technology. We also pride ourselves on the long tenure of our more than 160 store managers and corporate employees, who have been with us for an average of over seven years.

Our Growth Strategy

We are pursuing a number of strategies designed to continue our growth and strong financial performance, including:

Expanding Our Store Base. We believe that our compelling new store economics and our track record of opening successful new stores provide a strong foundation for continued growth through new store openings in existing, adjacent and new markets. Over the last three fiscal years, we have opened an average of four stores per year. We currently plan to open six to eight new stores in fiscal year 2014. For the next several years thereafter, we intend to grow our store base at a rate of eight to twelve stores annually and expect that most of our near-term growth will occur within the Western United States. Our longer-term plans include expanding our store base to serve the outdoor needs of enthusiasts in markets across the United States. We believe our existing infrastructure, including distribution, information technology, loss prevention and employee training, is capable of sustaining 100 or more stores without significant additional capital investment.

Increasing Same Store Sales Growth. We are committed to increasing same store sales through a number of ongoing and new initiatives, including: expansion of our clothing offerings and private label program (such as our new proprietary Rustic Ridge™ clothing line), our loyalty program, the implementation of kiosks and mobile point-of-sale in our stores and expansion of our “store-within-a-store” programs with major brands such as Carhartt, Columbia Sportswear and Under Armour. Each of these initiatives is designed to foster additional shopping convenience, add deeper merchandise selection and provide more product information to the customer. We believe these initiatives will drive additional traffic, improve conversion and increase average ticket value.

Continuing to Enhance Our Operating Margins. We believe that our planned expansion of our store base and growth in same store sales will result in improved Adjusted EBITDA margins as we take advantage of economies of scale in product sourcing and leverage our existing infrastructure, supply chain, corporate overhead and other fixed costs. Furthermore, we expect to increase our gross profit margin by expanding product offerings in our private label program, including our new proprietary Rustic Ridge™ clothing line, and continuing marketing initiatives in our higher-margin clothing and footwear departments.

Growing the Sportsman’s Warehouse Brand. We are committed to supporting our stores, product offerings and brand through a variety of marketing programs, private label offerings and corporate partnerships. Our marketing and promotional strategy includes coordinated print, digital and social media platforms. In-store, we offer a wide range of outdoor-themed activities and seminars, from turkey frying to firearm operation and safety. In addition, we sponsor community outreach and charity programs to more broadly connect with our local communities with the aim of promoting our brand and educating consumers. Finally, we are committed to local chapters of national, regional and local wildlife federations and other outdoor-focused organizations, such as Ducks Unlimited and the Rocky Mountain Elk Foundation. Many of our store managers and employees serve in senior positions in these organizations, which further strengthens our place as leaders in the local outdoor community. We believe all of these programs promote our mission of engaging with our customers and serving outdoor enthusiasts.

Our Stores

We operate 47 stores across 18 states. Most of our stores are located in power, neighborhood and lifestyle centers. We also operate several single-unit, stand-alone locations. Our stores average approximately 48,000 gross square feet.

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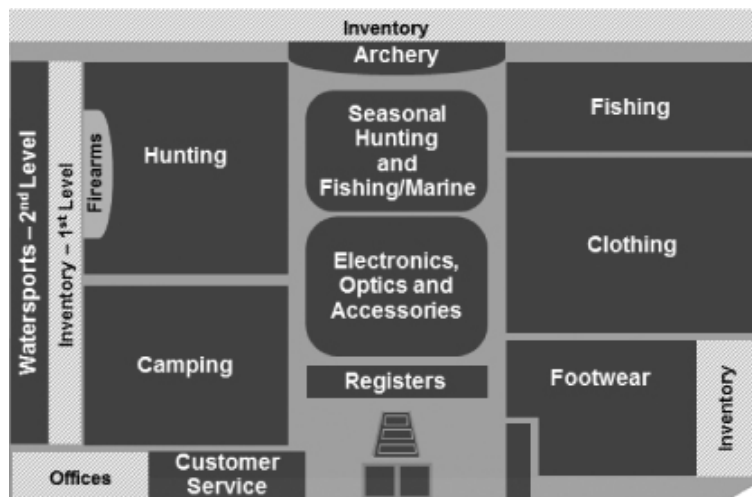
The following table lists the location by state of our 47 stores open as of December 10, 2013:

	Number of Stores		Number of Stores
Idaho	5	Nevada	2
Utah	5	New Mexico	2
Washington	5	Wyoming	2
Alaska	4	Iowa	1
Colorado	4	Kentucky	1
Oregon	4	Mississippi	1
Arizona	3	South Carolina	1
Montana	3	Tennessee	1
California	2	Virginia	1

Store Design and Layout

We present our broad and deep array of products in a convenient and engaging atmosphere to meet the everyday needs of all outdoor enthusiasts, from the seasoned veteran to the first-time participant. We maintain a consistent floor layout across our store base that we believe promotes an “easy-in, easy-out” shopping experience. All of our stores feature wide aisles, high ceilings, visible signage and central checkouts with multiple registers. Sportsman’s Warehouse stores, true to their name, are designed in a “no frills” warehouse format that welcomes customers directly from or on the way to an outdoor activity. Some of our stores also feature “store-within-a-store” concepts for certain popular brand partners, such as Carhartt, Columbia Sportswear and Under Armour, through which we dedicate a portion of our floor space to these brands to help increase visibility and drive additional sales.

We have begun to increase our selling square footage within our existing stores, utilizing the additional square footage primarily for clothing display. This expansion permits us to diversify our presentation of clothing by combining table-top folded merchandise, four-way racks and “store-within-a-store” displays. The diagram below demonstrates this newer format. To date, we have modified a total of 16 stores, and we expect to complete modifications at an additional 14 stores in fiscal year 2014 and an additional five stores in fiscal year 2015.



Our stores include locally relevant features such as a large fishing board at the entrance that displays current fishing conditions in local lakes and rivers with coordinating gear in end-cap displays in the fishing aisles. We

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actively engage our customers through in-store features such as the Braggin' Board, contests (such as Bucks & Bulls), and customer-owned taxidermy displays on the walls. We also host in-store programs such as "ladies night" and a wide range of instructional seminars, from turkey frying to firearm operation and safety. Annually, we organize approximately 2,500 programs across our stores for the benefit of our customers. We believe these programs help us connect with the communities in which we operate and encourage first time participants to build the skills necessary to become outdoor enthusiasts and loyal customers.

Expansion Opportunities and Site Selection

We have developed a rigorous and flexible process for site selection. We select sites for new store openings based on criteria such as local demographics, traffic patterns, density of hunting and fishing license holders in the area, abundance of hunting and fishing game and outdoor recreation activities, store visibility and accessibility, purchase data from our existing customer database and availability of attractive lease terms. Our store model is adaptable to markets of multiple sizes, from MSAs with populations of less than 75,000 to major metropolitan areas with populations in excess of 1,000,000. We have been successful in taking over existing leases and in constructing new build-to-suit locations.

Our store model is designed to be profitable in a variety of real estate venues, including power, neighborhood and lifestyle centers as well as single-unit, stand-alone locations. In small- to medium-sized markets, we generally seek anchor locations within high-traffic, easily accessible shopping centers. In larger metropolitan areas, we generally seek locations in retail areas with major discount retailers (such as Wal-Mart), wholesale retailers (such as Costco), other specialty hardline retailers (such as The Home Depot) or supermarkets. As we continue to expand our store base, we believe that small- to medium-sized markets offer a significant opportunity. In these markets, we believe our store size, which is smaller than many of our national competitors but larger than many independent retailers, enables us to find convenient, easily accessible store locations while still offering the broad and deep selection of merchandise that our customers desire. In addition, our store format and size allow us to open multiple stores in local areas within major MSAs, which gives our customers convenient, easy access to our products without having to travel long distances.

Members of our real estate team spend considerable time evaluating prospective sites before bringing a proposal to our real estate committee. Our real estate committee, which is comprised of senior management including our Chief Executive Officer, Chief Financial Officer and Senior Vice President of Stores, approves all prospective locations before a lease is signed.

We believe there is a significant opportunity to expand our store base in the United States. We have opened four new stores in fiscal year 2013. We currently plan to open six to eight new stores in fiscal year 2014 and intend to grow our store base at a rate of eight to twelve stores annually for the next several years. Our new store openings are planned in existing, adjacent and new markets.

Our new store growth plan is supported by our target new unit economics, which we believe to be compelling. A typical store location ranges in size from 30,000 to 50,000 gross square feet. Our net investment to open a new store is approximately \$2.0 million, consisting of pre-opening expenses and capital investments, net of tenant allowances. In addition, we stock each new store with initial inventory at an average cost of approximately \$2.4 million. For the first twelve month period after opening a new store, we target net sales of \$8.0 million to \$11.0 million, a four-wall Adjusted EBITDA margin of more than 10% and a pre-tax return on invested capital of over 50% excluding initial inventory cost (or over 20% including initial inventory cost). Our new stores typically reach a mature sales growth rate within three to four years after opening, with net sales increasing 20% to 25% in the aggregate during this time period. For the eight stores opened since 2010 that have been open for a full twelve months, we achieved an average four-wall Adjusted EBITDA margin of 13.8% and an average ROIC of 139.9% excluding initial inventory cost (and 40.6% including initial inventory cost) during the first twelve months of operations. In addition, we achieved an average pre-tax payback period of less than one year (excluding initial inventory cost) and expect to achieve an average pre-tax payback period of less than 2.5 years (including initial inventory cost).

E-Commerce Platform and Digital Strategy

We believe our website is an extension of our brand and our retail stores. Our website, *www.sportsmanswarehouse.com*, serves as both a sales channel and a platform for marketing and product education, and allows us to engage more fully with the local outdoor community. Our website features a similar merchandise assortment as offered in our stores as well as certain products found exclusively online. Regulatory restrictions create a structural barrier to the online sale of approximately 30% of our product offerings, such as ammunition, certain cutlery, firearms, propane and reloading powder. As a result, this portion of our business is currently more protected from online-only retailers, such as Amazon.

We also provide our online customers with convenient multi-channel services. To ensure that our customers have access to our entire assortment of products available on the e-commerce website, our retail stores feature kiosks that allow customers to place orders for items that are available only on our website or that are out of stock or not regularly stocked. We view our kiosk offering as an important complement to our larger format stores, as well as a key differentiator and extension of our smaller format stores. Our in-store pickup offering allows customers to order products through our e-commerce website and pick up the products in our retail stores without incurring shipping costs. We believe our ship-to-store functionality is a valuable service offering to customers, as well as a means to generate additional foot traffic to our retail stores.

Our website also features an online version of our Braggin' Board, which complements our retail store Braggin' Board forum. In addition, our website features local area content, including fishing reports and event schedules, as well as online educational resources, including tips, advice and links to video demonstrations on our dedicated YouTube channel. In fiscal year 2014, we plan to launch enhanced category and product pages, detailed buyer's guides, product checklists for trip planning and additional instructional product videos. We recently began to roll out our social media strategy through our Facebook page and Twitter feed. These platforms allow us to reach our customers more directly with targeted postings of advertisements and in-store events. We believe our online educational resources and community outreach drive traffic to our website and retail stores, while improving user engagement as shoppers move from single-purchase users to loyal customers.

We currently provide online customer service support through a third-party service provider, but anticipate providing this service in-house beginning in early 2014. We fulfill all orders in-house through our distribution center. During the 53-week period ended November 2, 2013, our e-commerce platform generated total sales of \$7.6 million, or 1.1% of our total sales. Over the same period, our website received over twelve million visits, which we believe demonstrates our position as a leading resource for outdoor products and product education.

Our Products and Services

Merchandise Strategy

We offer a broad range of products at a variety of price points and carry a deep selection of branded merchandise from well-known manufacturers, such as Browning, Carhartt, Coleman, Columbia Sportswear, Federal Premium Ammunition, Honda, Johnson Outdoors, Remington, Shakespeare, Shimano, Smith & Wesson and Under Armour. To reinforce our convenient shopping experience, we offer our products at competitive, everyday low prices. We believe our competitive pricing strategy supports our strong value proposition, instills price confidence in both our customers and our sales associates and is a critical element of our competitive position.

We believe we offer a wider selection of hard goods than many of our principal competitors. We employ a "good, better, and best" merchandise strategy, with an emphasis on "better" products that meet the needs of customers of all experience levels. We strive to keep our merchandise mix fresh and exciting by continuously searching for new, innovative products and introducing them to our customers. Our hunting and shooting

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department, which is strategically located at the back of the store, is a key driver of store traffic and one of the reasons for our high frequency of customer visits. We carry a large array of consumable goods, which includes ammunition, bait, cleaning supplies, food, lures, propane and reloading supplies. During the 53-week period ended November 2, 2013, sales of consumable goods accounted for approximately 36.2% of our unit sales and 21.1% of our dollar sales. We believe the sale of consumables and replenishment items drives repeat traffic, with approximately 65% of our customers visiting our stores five or more times per year (according to our internal surveys). During such visits, our customers frequently browse and purchase other items, including additional gear and accessories.

We also carry a variety of private label offerings under the Rustic Ridge™, Yukon Gold and Sportsman's Warehouse brands. These products are designed and priced to complement our branded assortment, by offering our customers a quality alternative at all price points. We believe the clothing, footwear and camping categories present a compelling near-term opportunity to expand our private label offering. In order to address these segments, we recently introduced our proprietary Rustic Ridge™ clothing line. During the 53-week period ended November 2, 2013, private label offerings accounted for approximately 1.3% of our total sales, compared to more than 20% for many of our sporting goods retail peers. We believe our private label products are an important opportunity to drive sales and increase margins alongside our branded merchandise.

In addition to outfitting our customers with the correct gear, we provide our customers with various in-store, value-added, technical support services. All of our stores offer full-service archery technician services, fishing-reel line winding, gun bore sighting and scope mounting, among other services. We also help first-time participants enjoy the outdoors responsibly by issuing hunting and fishing licenses. We believe the support services provided by our highly trained staff technicians differentiate us from our competitors and drive customer loyalty and repeat traffic to our stores.

Products

Our stores are organized into six departments. The table below summarizes the key product lines and brands by department:

<u>Department</u>	<u>Product Offerings</u>
Camping	Backpacks, camp essentials, canoes and kayaks, coolers, outdoor cooking equipment, sleeping bags, tents and tools
Clothing	Camouflage, jackets, hats, outerwear, sportswear, technical gear and work wear
Fishing	Bait, electronics, fishing rods, flotation items, fly fishing, lines, lures, reels, tackle and small boats
Footwear	Hiking boots, socks, sport sandals, technical footwear, trail shoes, waders and work boots
Hunting and Shooting	Ammunition, archery items, ATV accessories, blinds and tree stands, decoys, firearms, reloading equipment and shooting gear
Optics, Electronics and Accessories	Gift items, GPS devices, knives, lighting, optics (<i>e.g.</i> , binoculars) and two-way radios

Each department has buying and planning teams that are responsible for monitoring product availability from vendors and sales volume within the department and across all stores. We actively monitor the profitability of each product category within each department and adjust our assortment and selling space accordingly. This flexibility enables us to provide customers with more preferred product choices and to enhance the profit potential of each store.

Hunting and shooting has historically been the largest contributor to our sales. Hunting and shooting category products are generally sold at significantly higher price points than other merchandise but often have

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lower margins. Camping is our second largest product category, and family-oriented camping equipment in particular continues to be a high growth category. Our clothing sales have grown as we have introduced new brands and styles, including our selections for women and children. We view clothing sales as an important opportunity, given this category's high gross margins and appeal to a broad, growing demographic.

The following table shows our sales during the past three fiscal years by product category:

Category	Fiscal Year Ended		
	February 2, 2013	January 28, 2012	January 29, 2011
Camping	12.0%	13.2%	12.8%
Clothing	7.6	8.9	9.1
Fishing	8.2	9.8	10.8
Footwear	5.8	6.6	7.2
Hunting and Shooting	55.7	49.4	47.9
Optics, Electronics and Accessories	8.5	9.4	9.2
Other	2.2	2.7	3.0
Total	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Camping. Camping represented approximately 12.0% of our net sales during fiscal year 2012. Our camping assortment addresses both the technical requirements of the heavy-use camper, including for long-duration or deep-woods excursions, as well as the needs of the casual camper. We offer a broad selection of tents and shelters for both multi-day "base camp" use and weekend outings, sleeping bags for the most extreme conditions as well as the summer overnight trip, backpacks and backpacking gear, including camouflaged styles for hunting, generators for home and camp use, a full assortment of easy-to-carry tools, cooking and food preparation equipment, including stoves and extended-use coolers, as well as dehydrated foods. Our camping category also includes canoes, kayaks and a selection of recreational family camping equipment, including basic automotive accessories, camp chairs and EZ ups. Our camping category includes brands such as Camp Chef, Coleman, Honda, Johnson Outdoors and Teton Sports.

Clothing. Clothing represented approximately 7.6% of our net sales during fiscal year 2012 and includes camouflage, outerwear, sportswear, technical gear, workwear, jackets and hats. We primarily offer well-known brands in our clothing department, such as Carhartt, Columbia Sportswear and Under Armour. We also intend to grow our proprietary clothing line, Rustic Ridge™. Our clothing selection offers technical performance capabilities for a variety of hunting activities, including upland, waterfowl, archery, big game hunting, turkey hunting and shooting sports. Performance attributes include waterproofing, temperature control, scent control features and visual capabilities, such as blaze orange and camouflage in a wide range of patterns from brands such as Browning, King's Camo and Sitka. Outerwear, particularly performance rainwear, is an important category for customers who are fishing, hiking, hunting or marine enthusiasts. We furthermore complement our technical clothing with an assortment of casual clothing that fits our customers' lifestyles, including a variety of Duck Dynasty t-shirts, private label motto t-shirts and Carhartt workwear.

Fishing. Fishing represented approximately 8.2% of our net sales during fiscal year 2012 and includes products for fresh-water fishing, salt-water fishing, fly-fishing, ice-fishing and boating. Our broad assortment appeals to the beginning and weekend angler, as well as avid and tournament anglers. In addition to lures, rods and reels, our fishing assortment features a wide selection of products in the tackle supplies, electronics, fly-fishing, ice-fishing and marine accessories sub-categories. We also provide fishing-reel line winding services in all of our stores and live bait in most of our stores. We offer products for boat care and maintenance, as well as safety equipment and aquatic products such as float tubes and pontoons. All of our stores also sell fishing licenses. Our fishing category includes brands such as Plano Molding, Pure Fishing, Rapala, Rivers Wild Flies and Shimano.

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Footwear. Footwear represented approximately 5.8% of our net sales during fiscal year 2012 and includes work boots, technical footwear, hiking boots, trail shoes, socks, sport sandals and waders. As with clothing, our footwear selection offers a variety of technical performance capabilities, such as different levels of support and types of tread, waterproofing, temperature control and visual attributes. Our footwear category includes brands such as Danner, Keen, Red Wing, SmartWool and Wolverine World Wide.

Hunting and Shooting. Hunting and shooting is our largest merchandise category, representing approximately 55.7% of our net sales during fiscal year 2012. Products such as ammunition, cleaning supplies, firearms and reloading selections are typically key drivers of traffic in our stores. Our hunting and shooting merchandise assortment provides equipment, accessories and consumable supplies for virtually every type of hunting and sport shooting. A backroom shop staffed with technicians allows us to support our hunting assortments for the benefit of the hunter.

Our merchandise selection includes a wide variety of firearms designed for hunting, shooting sports and home and personal defense, including air guns, black powder muzzle loaders, handguns, rifles and shotguns. We carry a wide selection of ammunition, archery equipment, dog training products, hunting equipment, reloading equipment and shooting accessories. All of our stores also sell hunting licenses. Our hunting and shooting category includes brands such as Ammunition Accessories, Browning, Federal Premium Ammunition, Remington, Smith & Wesson and Winchester.

Optics, Electronics and Accessories. Our optics, electronics and accessories category represented approximately 8.5% of our net sales during fiscal year 2012. This category supplements our other equipment categories with complementary products, such as optics (including binoculars, spotting scopes and rangefinders), GPS devices and other navigation gear, GoPro video cameras, two-way radios, specialized and basic cutlery and tools, including hunting and other knives, lighting, bear spray and other accessories. Our optics, electronics and accessories category includes brands such as Garmin, Leupold & Stevens, Nikon, Swarovski Optik and Vortex Optics.

Other. Our other category represented approximately 2.2% of our net sales during fiscal year 2012 and includes hunting and fishing licenses, background checks and miscellaneous services.

Loyalty Programs

We launched a loyalty program in the fall of 2013, through which our consumers are able to earn “points” towards Sportsman’s Warehouse gift cards on most of their purchases. The program is free to join and accepted through all channels for both purchases and the use of redemption cards.

Customers may obtain a loyalty program card when making a purchase in-store or online. After obtaining a card, the customer must register on our website in order to redeem loyalty rewards. Customers earn one point for each dollar spent, with the exception of certain items, such as gift cards and fish and game licenses. For every 100 points accumulated, the customer is entitled to a \$1.00 gift credit, which may be redeemed by logging into our website to request a redemption card for any whole dollar amount (subject to the customer’s available point balance). The redemption card is then mailed to the customer and operates as a gift card to be used for both in-store and online purchasing. Our loyalty program is conveniently integrated into our store point-of-sale system, allowing our employees to inform customers of their number of accumulated points when making purchases at our retail stores.

In addition, we began issuing the multi-use Sportsman’s Warehouse Rewards VISA Platinum credit card in 2006 through US Bank. US Bank extends credit directly to cardholders and provides all servicing for the credit card accounts, funds the rewards and bears all credit and fraud losses. This card allows customers to earn points whenever and wherever they use their card. Customers may redeem earned points for products and services just as they would redeem loyalty card points. The rewards points never expire as long as the account is in good standing.

Sourcing and Distribution

Sourcing

We maintain central purchasing, replenishment and distribution functions to manage inventory planning, allocate merchandise to stores and oversee the replenishment of basic merchandise to the distribution center. We have no long-term purchase commitments. During the 53-week period ended November 2, 2013, we purchased merchandise from approximately 1,400 vendors with no vendor accounting for more than 7% of total merchandise purchased. We have established long-standing, continuous relationships with our largest vendors.

Our sourcing organization is currently managed by our merchant team in our corporate headquarters. We have plans to shift certain merchandising functions to field merchant teams at the regional level beginning in fiscal year 2014, which we believe will better accommodate and augment our localized merchandising model. To ensure that our product offerings are tailored to local market conditions and demand, our merchant teams regularly meet one-on-one with our vendors, and attend trade shows, review trade periodicals and evaluate merchandise offered by other retail and online merchants. We also frequently gather feedback and new product reviews from our store management and employees, as well as from reviews submitted by our customers. We believe this feedback is valuable to our vendor-partners and improves our access to new models and technologies.

Distribution and Fulfillment

We distribute all of our merchandise from our efficient 507,000 square foot distribution center in Salt Lake City, Utah. We opened this facility in July 2013, more than doubling the available space from our prior facility, in order to accommodate our growing store base and e-commerce platform. The distribution center supports replenishment for all 47 stores and manages the fulfillment of direct-to-consumer e-commerce orders. We use common carriers for replenishment of our retail stores. We ship merchandise to our e-commerce customers via courier service. An experienced distribution management team leads a staff of 237 distribution center employees at peak inventory levels heading into the fourth quarter.

The distribution center has scalable systems and processes that we believe can accommodate continued new store growth to exceed 100 stores. We use the HighJump warehouse management system to manage all activities. The system is highly adaptable and can be easily changed to accommodate new business requirements. For example, in September 2010, we implemented a new picking process that allows e-commerce orders to be released without impacting the existing replenishment operations of the distribution center. Additionally, we have developed customized order packing and shipping processes to handle the specific requirements of the e-commerce business. We have the capability to both case pick and item pick, which is designed to ensure that our stores have sufficient quantities of product while also allowing us to maintain in inventory slow moving but necessary items. This balance allows us to stock the right products at the necessary locations, all at the right time and in the correct quantity.

Marketing and Advertising

We believe, based on internal surveys, that the majority of our customers are male, between the ages of 35 and 65, and have an annual household income between \$55,000 and \$100,000. We also actively market to women and children and have expanded our product offerings of women's and children's outerwear, clothing and footwear to address rising participation rates in hunting and shooting sports, as well as overall outdoor activity.

Our primary marketing efforts are focused on driving additional consumers to the stores and increasing the frequency and profitability of visits by customers of all types. We employ a two-pronged marketing approach:

- regional advertising programs; and
- local grass roots efforts to build brand awareness and customer loyalty.

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Our regional advertising programs emphasize seasonal requirements for hunting, fishing and camping in our various store geographies. Our advertising medium is typically newspaper inserts (primarily multi-page color inserts during key shopping periods such as the Christmas season and Father's Day), supplemented with modest amounts of direct mail, seasonal use of local and national television ads and a variety of out-of-home media buys. We proactively modify the timing and content of our message to match local and regional preferences, changing seasons, weather patterns and topography of a given region. In addition, the use of co-op funding with select vendors to supplement our out-of-pocket media expenses allows us to improve brand exposure through various advertising vehicles, while partnering with national brands in relevant media channels. This program also reinforces the general consumer's impression of Sportsman's Warehouse as a preferred retailer for those brands. Finally, we sponsor regional and national television programming, including sponsoring the Alaska Outdoor, Angler's Channel, Elk Fever, Fishful Thinking and Hooked on Utah. Our total media expenses for the 53-week period ended November 2, 2013 were approximately \$6.1 million, excluding co-op reimbursement of \$1.9 million.

The second prong of our marketing effort is the time and resources devoted to fostering grass roots relationships in the local community. Each Sportsman's Warehouse store employs a variety of outreach tools to build local awareness. One key component to a successful store is hosting events throughout the year, targeting a variety of end user customer profiles (such as hunters, campers, anglers, women and children). In total, our store base hosts or facilitates approximately 2,500 in-store and offsite seminars and events per year, such as "ladies night," Berkley Bass Tank, Eastman's Deer Tour, Waterfowl Weekend and Bucks & Bulls. We are also active in supporting a variety of conservation groups, such as Ducks Unlimited, Rocky Mountain Elk Foundation, Mule Deer Foundation and the National Wild Turkey Federation, both at the corporate level and through store employee local memberships and participation. Company representatives attend more than 400 events annually in the aggregate, both to provide support for these organizations and to solidify ties between their members and the Sportsman's brand. Furthermore, we believe that the Sportsman's News newspaper, offered in-store only, provides a unique point of contact with our customers by offering outdoor stories, product reviews, advertising for company-approved third-party guide services (for both first-time participants and experienced outdoor enthusiasts), how-to articles and new product introductions to keep all of our customers up to date on the latest trends and technology. Finally, such grass roots campaigns enable us to reduce our initial marketing spend in connection with new store openings. We believe that these initiatives are highly cost-effective tools to create brand awareness and engender a loyal community of local customers, as well as a key differentiator versus other national retailers.

Hiring, Training and Motivating our Employees

We believe that the recruitment, training and knowledge of our employees and the consistency and quality of the service they deliver are central to our success. We emphasize deep product knowledge for store managers and sales associates at both the hiring and training stages. We hire most of our sales associates for a specific department or product category. As part of the interview process, we test each prospective employee for knowledge specific to the department or category in which he or she is applying to work. All of our managers and sales associates undergo focused sales training, consisting of both sales techniques and specialized product instruction, both immediately upon hiring (approximately 20 hours) and continuing throughout their career (approximately 16 hours annually). In addition, our sales associates receive loss prevention instruction and departmental training upon hiring. For example, in our hunting department, all employees receive an additional nine hours of ATF training initially upon hire, with continuing education throughout the year. Our store managers complete two to six months of on-the-job training at another store with an existing district manager, as part of which they receive approximately 80 hours of dedicated managerial training and instruction. Our department heads receive extensive online training as well as on-site instruction, totaling approximately 40 hours. As a result of these programs, our employees are highly trained to provide friendly and non-intimidating education, guidance and support to address our customers' needs.

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Our employees are often outdoor enthusiasts themselves, participating in outdoor activities alongside our customers in the local community. Our employees spend approximately 16% of their gross wages in-store, underscoring their passion for both our company and the outdoor lifestyle. We believe this high level of participation and employee store patronage is unique among our competitors in this industry and enhances our differentiated shopping experience.

One of our unique assets is a specially designed training room (our “blue room”) located at our headquarters. Our blue room is used frequently for firm-wide training programs and by vendors to stage training demonstrations for new products. Blue room sessions are broadcast real-time in high definition to each store location and are recorded for future viewing. Vendor training is especially interactive, permitting vendor representatives to present a uniform message simultaneously to all employees, while allowing managers and sales staff in individual stores to ask questions of the vendors and provide real-time feedback on products. This system decreases the vendor’s promotion and education costs and provides more meaningful training to our employees. Blue room training sessions are particularly important for technical products, especially those with numerous features and a high unit price, because they enable our sales associates to better educate customers and provide additional assurance that a given product fits the customer’s needs. Given its utility as a cost-effective sales tool, our blue room is reserved well in advance by vendors. Our training program has been a critical factor in increasing conversion, which has led to average ticket growth of 18.0% since the end of fiscal year 2010.

Properties

We do not own any material real property, but rather lease all of our store locations. Our corporate headquarters is located in an approximately 60,000 square foot building in Midvale, Utah. The building is leased under an agreement expiring in December 31, 2018.

Our distribution center is located in a 507,000 square foot facility in Salt Lake City, Utah. The building is leased under an agreement expiring in 2023, with three options that each allow us to extend for an additional five years. We believe that our distribution center is of sufficient scale to support a network of up to 100 stores.

We have 47 stores in 18 states, which includes the ten stores we re-acquired from United Farmers of Alberta in March 2013. In total we have approximately 2.2 million gross square feet across all of our stores. Our stores are leased from third parties with lease terms typically ranging from five to fifteen years, and many of our lease agreements have additional five-year renewal options. All of our leases provide for additional payments associated with common area maintenance, real estate, taxes and insurance. In addition, many of our lease agreements have defined escalating rent provisions over the initial term and extensions.

Information Technology

Business critical information technology, or IT, systems include our supply chain systems, merchandise system, point-of-sale (POS) system, warehouse management system, e-commerce system, loss prevention system and financial and payroll systems. Our IT infrastructure is robustly designed to be able to access real-time data from any store or channel. The network infrastructure allows us to quickly and cost effectively add new stores to the wide area network, or WAN. The private WAN is built on Century Link’s (formerly Qwest) backbone with all of its resources and support. Additionally, we have implemented a redundant wireless WAN on Sprint’s infrastructure. Each Sportsman’s location is equipped with a backup power generator. All key systems will continue to run in the event of a power or network outage. All data is backed up daily from one storage array to another storage array.

We have implemented what we believe to be best-of-class software for all of our major business critical systems. Key operating systems include Oracle Applications for ERP, Oracle ATG for our e-commerce channel,

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Tomax's Retail.net and JPOS for in-store functionality and HighJump for WMS. Our physical infrastructure is also built on products from best-in-class vendors Cisco, Dell, Oracle Sun and VMWare. Originally designed with the goal of being able to run a significantly larger retail business, our IT systems are scalable to support our growth.

Each retail store and the distribution center has a security room and loss prevention employees who monitor an average of 64 cameras (160 at the distribution center) that are connected to digital video recorders (DVR) that record at least 30 days of video. Cameras are monitored locally during store hours. In addition, all cameras are monitored centrally at our headquarters in our dedicated surveillance room, which has capacity to monitor over 120 stores. This room is staffed continuously and provides off-hours monitoring and backup for all stores. Digital recorded video can be searched by pixel movement, which can quickly identify any loss prevention issue. Our sophisticated systems are a key factor in our shrink rates of less than 1% and an important component of our comprehensive compliance program.

We furthermore have incorporated enhanced reporting tools that have allowed for more comprehensive monitoring of business performance, which has been critical to management's ability to drive strong store level performance. Management has access to a reporting dashboard that shows key performance indicators, or KPIs, on a company, store, department and category level. KPIs include sales, margin, budget, conversions, payroll, shrinkage and average order value all on a daily, weekly, monthly and yearly basis. All KPIs are compared to comparable prior year periods. District, store and department managers have access to the data relevant to their area of responsibility. Real-time, up to the second, sales data is available on demand. The system allows for custom-created reports as required.

Intellectual Property

Sportsman's Warehouse® and Sportsman's Warehouse America's Premier Outfitter® are among our service marks or trademarks registered with the United States Patent and Trademark Office. We also have several pending applications for trademarks, including Rustic Ridge™. In addition, we own several other registered and unregistered trademarks and service marks involving advertising slogans and other names and phrases used in our business. We also own numerous domain names, including *www.sportsmanswarehouse.com*, among others. The information on, or that can be accessed through, our websites is not a part of this prospectus.

We believe that our trademarks are valid and valuable and intend to maintain our trademarks and any related registrations. We do not know of any material pending claims of infringement or other challenges to our right to use our marks in the United States or elsewhere. We have no franchises or other concessions that are material to our operations.

Our Market and Competition

Our Market

We compete in the large, growing and fragmented outdoor activities and sporting goods market, which we believe is currently underserved by full-line multi-activity retailers. We believe that U.S. outdoor activities and sporting goods retail sales totaled over \$50 billion in 2012. The U.S. outdoor activities and sporting goods sector is comprised of three primary categories—equipment, clothing and footwear—with each category containing distinct product sets to support a variety of activities, including hunting, fishing, camping and shooting, as well as other sporting goods activities.

We believe growth in the U.S. outdoor activities and sporting goods market is driven by several key trends, including: an expanding demographic focused on healthy and active lifestyles; successful new product introductions centered around enhancing performance and enjoyment while participating in sporting and outdoor

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activities; and the resilience of consumer demand for purchases in these categories versus other discretionary categories. We believe these factors will continue to foster growth in the outdoor activities and sporting goods market in the future.

Within the retail sporting goods sector, we operate primarily in the outdoor equipment, clothing and footwear segment, which includes hunting and shooting, fishing, camping and boating. This segment is growing at a faster rate than the sporting goods industry at large. The 2011 U.S. Fish and Wildlife national survey, published once every five years, found that hunting and shooting and fishing participation increased 11% and 9%, respectively, for Americans aged 16 and older from 2006 to 2011. According to the NSGA, in 2012, participation among women in hunting with firearms and target shooting with live ammunition increased 29% and 27%, respectively. Furthermore, specialty retailers have generated additional sales volume by expanding their presence, especially in smaller communities, which has increased customers' access to products that formerly were less available. The nature of the outdoor activities to which we cater requires recurring purchases throughout the year, resulting in high rates of conversion among customers. For example, active anglers typically purchase various fishing tackle throughout the year based on seasons and changing conditions. Hunting with firearms typically is accompanied by recurring purchases of ammunition and cleaning supplies throughout the year and multiple firearm styles for different hunted game.

Competition

We believe that the principal competitive factors in our industry are breadth and depth of product selection, including locally relevant offerings, value pricing, convenient locations, technical services and customer service. A few of our competitors have a larger number of stores, and some of them have a greater market presence, name recognition and financial, distribution, marketing and other resources than we have. We believe that we compete effectively with our competitors with our distinctive branded selection and superior customer service, as well as our commitment to understanding and providing merchandise that is relevant to our targeted customer base. We cater to the outdoor enthusiast and believe that we have both an in-depth knowledge of the technical outdoor customer and a "grab and go" store environment that is uniquely conducive to their need for value and convenience. We believe that our flexible box size, combined with our low-cost, high-service model, also allows us to enter into and serve smaller markets that our larger competitors cannot penetrate as effectively. Finally, legal restrictions on the sale of approximately 30% of our product offerings, such as ammunition, certain cutlery, firearms, propane and reloading powder, create a structural barrier to competition from many online retailers, such as Amazon.

Our principal competitors include the following:

- independent, local specialty stores, often referred to as "mom & pops";
- other specialty retailers that compete with us across a significant portion of our merchandising categories through retail store, catalog or e-commerce businesses, such as Bass Pro Shops, Cabela's and Gander Mountain;
- large-format sporting goods stores and chains, such as Academy Sports + Outdoors and Dick's Sporting Goods; and
- mass merchandisers, warehouse clubs, discount stores, department stores and online retailers, such as Amazon, Target and Wal-Mart.

Independent, Local Specialty Stores. These stores generally range in size from approximately 2,000 to 10,000 square feet, and typically focus on one or two specific product categories, such as hunting, fishing or camping, and usually lack a broad selection of product.

Other Specialty Retailers. Some of the other specialty retailers that compete with us across a significant portion of our merchandising categories are large-format retailers that generally range in size from 40,000 to 250,000 square feet. These retailers seek to offer a broad selection of merchandise focused on hunting, fishing,

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camping and other outdoor product categories. Some of these stores combine the characteristics of an outdoor retailer with outdoor entertainment and theme attractions. We believe that the number of these stores that can be supported in any single market area is limited because of their large size and significant per-store cost.

Other specialty retailers are smaller chains that typically focus on offering a broad selection of merchandise in one or more of the following product categories—hunting, fishing, camping or other outdoor product categories. We believe that these other outdoor-focused chains generally do not offer a similar depth and breadth of merchandise or specialized services in all of our product categories.

Large-Format Sporting Goods Stores And Chains. These stores generally range from 20,000 to 80,000 square feet and offer a broad selection of sporting goods merchandise covering a variety of sporting goods categories, including baseball, basketball, football and home gyms, as well as hunting, fishing and camping. However, we believe that the amount of space at these stores devoted to our outdoor product categories limits the extent of their offerings in these areas.

Mass Merchandisers, Warehouse Clubs, Discount Stores, Department Stores and Online Retailers. With respect to retailers in this category with physical stores, these stores generally range in size from approximately 50,000 to over 200,000 square feet and are primarily located in shopping centers, free-standing sites or regional malls. Hunting, fishing and camping merchandise and clothing represent a small portion of the stores' assortment, and of their total sales. We believe that less than 10% of our product offering, and less than 5% of our hunting and shooting product offering, overlap with these stores.

Over the past decade, specialty retailers, such as us, have gained market share of equipment sales at the expense of mass merchants, discount stores and independent retailers, or "mom & pop" shops, which we believe comprise approximately 65% of the market. In addition, while there are over 50,000 federal firearms licenses, or FFLs, in the United States today, only 2,000 are currently held by national or regional specialty stores. Since FFLs are issued at the store level, these statistics imply that the remaining 96% of the market is fragmented among mom & pop stores. We believe this fragmentation within the total addressable market presents an attractive opportunity for us to continue to expand our market share, as customers increasingly prefer a broad and appealing selection of merchandise, competitive prices, high levels of service and one-stop shopping convenience.

Seasonality

We experience moderate seasonal fluctuations in our net sales and operating results as a result of holiday spending and the opening of hunting seasons. While our sales are more level throughout the year than many retailers, our sales are still traditionally somewhat higher in the third and fourth quarters than in the other quarterly periods. On average over the last three fiscal years, we have generated 32.1% and 26.2% of our net sales in the third and fourth fiscal quarters, respectively, which includes the holiday selling season as well as the opening of the fall hunting season. However, Spring hunting, Father's Day and the availability of hunting and fishing throughout the year in many of our markets counterbalance this seasonality to a certain degree.

Regulation and Compliance

Regulation and Legislation

We operate in highly regulated industries. There are a number of federal, state and local laws and regulations that affect our business. In every state in which we operate, we must obtain various licenses or permits in order to operate our business.

Because we sell firearms at all of our retail stores, we are subject to regulation by the ATF. Each store has a federal firearms license permitting the sale of firearms, and our distribution center has obtained a federal firearms license to store firearms. Certain states require a state license to sell firearms, and we have obtained these licenses for the states in which we operate that have such a requirement.

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We must comply with federal, state and local laws and regulations, including the National Firearms Act of 1934, or NFA, the Gun Control Act of 1968, or GCA, the Arms Export Control Act of 1976 and Internal Revenue Code provisions applicable to the Firearms and Ammunition Excise Tax, all of which have been amended from time to time. The NFA and the GCA require our business to, among other things, maintain federal firearms licenses for our locations and perform a pre-transfer background check in connection with all firearms purchases. We perform this background check using either the FBI-managed National Instant Criminal Background Check System, or NICS, or a comparable state government-managed system that relies on NICS and any additional information collected by the state, a state point of contact, or POC. These background check systems either confirm that a transfer can be made, deny the transfer or require that the transfer be delayed for further review, and provide us with a transaction number for the proposed transfer. We are required to record the transaction number on an ATF Form 4473 and retain this form in our records for auditing purposes for 20 years for each approved transfer and five years for each denied or delayed transfer.

The federal categories of prohibited purchasers are the prevailing minimum for all states. States (and, in some cases, local governments) on occasion enact laws that further restrict permissible purchasers of firearms. We are also subject to numerous other federal, state and local laws and regulations regarding firearm sale procedures, record keeping, inspection and reporting, including adhering to minimum age restrictions regarding the purchase or possession of firearms or ammunition, residency requirements, applicable waiting periods, importation regulations and regulations pertaining to the shipment and transportation of firearms.

Over the past several years, bills have been introduced in the United States Congress that would restrict or prohibit the manufacture, transfer, importation or sale of certain calibers of handgun ammunition, impose a tax and import controls on bullets designed to penetrate bullet-proof vests, impose a special occupational tax and registration requirements on manufacturers of handgun ammunition and increase the tax on handgun ammunition in certain calibers. Recently, Congress has debated certain gun control measures that are supported by the current administration.

In September 2004, Congress declined to renew the Assault Weapons Ban of 1994, or AWB, which prohibited the manufacture of certain firearms defined as “assault weapons”; restricted the sale or possession of “assault weapons,” except those that were manufactured prior to the law’s enactment; and placed restrictions on the sale of new high capacity ammunition feeding devices. Various states and local jurisdictions, including Colorado and California (states in which we operate stores), have adopted their own versions of the AWB or high capacity ammunition feeding device restrictions, some of which restrictions apply to the products we sell in other states. If a statute similar to the AWB were to be enacted or re-enacted at the federal level, it would impact our ability to sell certain products. Additionally, state and local governments have proposed laws and regulations that, if enacted, would place additional restrictions on the manufacture, transfer, sale, purchase, possession and use of firearms, ammunition and shooting-related products. For example, several states, such as Colorado, Connecticut, Maryland, New Jersey and New York, have enacted laws and regulations that are more restrictive than federal laws and regulations that limit access to and sale of certain firearms. For example, Connecticut and New York impose mandatory screening of ammunition purchases; California and the District of Columbia have requirements for microstamping (that is, engraving the handgun’s serial number on each cartridge) of new handguns; and some states prohibit the sale of guns without internal or external locking mechanisms. Other state or local governmental entities may also explore similar legislative or regulatory initiatives that may further restrict the manufacture, sale, purchase, possession or use of firearms, ammunition and shooting-related products.

The Protection of Lawful Commerce in Arms Act, or PLCAA, which became effective in October 2005, prohibits civil liability actions from being brought or continued in any federal or state court against federally licensed manufacturers, distributors, dealers or importers of firearms or ammunition for damages, punitive damages, injunctive or declaratory relief, abatement, restitution, fines, penalties or other relief resulting from the criminal or unlawful misuse of a qualified product by third parties. The legislation does not preclude traditional product liability actions.

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We are also subject to a variety of federal, state and local laws and regulations relating to, among other things, protection of the environment, human health and safety, advertising, pricing, weights and measures, product safety, and other matters. Some of these laws affect or restrict the manner in which we can sell certain items, such as handguns, smokeless powder, black powder substitutes, ammunition, bows, knives and other products. State and local laws and regulations governing hunting, fishing, boating, ATVs and other outdoor activities and equipment can also affect our business. We believe that we are in substantial compliance with the terms of such laws and that we have no liabilities under such laws that we expect could have a material adverse effect on our business, results of operations or financial condition.

In addition, many of our imported products are subject to existing or potential duties, tariffs or quotas that may limit the quantity of products that we may import into the United States and other countries or impact the cost of such products. To date, quotas in the operation of our business have not restricted us, and customs duties have not comprised a material portion of the total cost of our products.

Our e-commerce business is subject to the Mail or Telephone Order Merchandise Rule and related regulations promulgated by the FTC which affect our catalog mail order operations. FTC regulations, in general, govern the solicitation of orders, the information provided to prospective customers, and the timeliness of shipments and refunds. In addition, the FTC has established guidelines for advertising and labeling many of the products we sell.

Compliance

We are routinely inspected by the ATF and various state agencies to ensure compliance with federal and local regulations. While we view such inspections as a starting point, we employ more thorough internal compliance inspections to help ensure we are in compliance with all applicable laws. Our compliance department conducts at least one on-site inspection of each store location annually. With the IT infrastructure systems we have in place, recall inspections can be done remotely.

We dedicate significant resources to ensure compliance with applicable federal, state and local regulations. Since we began operations in 1986, none of our federal firearm licenses have been revoked, and none of our ATF compliance inspections have resulted in a major violation. As an example, one of our stores was recently inspected as a part of ATF's Project Southwest Border Initiative. Approximately 7,000 ATF Forms 4473 (required for each over-the-counter sale of a firearm) were inspected and two years of firearm acquisition and disposition records were scrutinized. This exhaustive inspection resulted in zero violations.

We are also subject to a variety of state laws and regulations relating to, among other things, advertising and product restrictions. Some of these laws prohibit or limit the sale, in certain states and locations, of certain items, such as black powder firearms, ammunition, bows, knives, and similar products. Our compliance department administers various restriction codes and other software tools to prevent the sale of such jurisdictionally restricted items.

We have particular expertise in the California market and have passed two California Department of Justice, or CA DOJ, firearm audits with zero violations. The CA DOJ communicates with us for compliance assistance, recognizing the strength of our compliance infrastructure.

Employees

As of November 2, 2013, we had approximately 3,400 total employees. Of our total employees, approximately 130 were based at our corporate headquarters in Midvale, Utah, approximately 250 were located at our distribution center, and approximately 3,000 were store employees. We had approximately 1,300 full-time employees and approximately 2,100 part-time employees, who are primarily store employees. None of our

employees are represented by a labor union or are party to a collective bargaining agreement, and we have had no labor-related work stoppages. Our relationship with our employees is one of the keys to our success, and we believe that relationship is good.

Legal Proceedings

We are subject to various legal proceedings and claims, including employment claims, wage and hour claims, intellectual property claims, contractual and commercial disputes and other matters that arise in the ordinary course of our business. While the outcome of these and other claims cannot be predicted with certainty, we do not believe that the outcome of these matters individually or in the aggregate will have a material adverse effect on our business, results of operations or financial condition.

MANAGEMENT

Executive Officers, Directors, Director Nominees and Key Employees

Below is a list of our executive officers, directors, director nominees and key employees and their respective ages and positions and a brief account of the business experience of each of them. Our board of directors will consist of seven members upon completion of this offering. Messrs. _____, _____ and _____ will become directors effective immediately upon completion of this offering, and Mr. Seidler will resign as a member of our board of directors effective immediately upon completion of this offering. Mr. Eastland will resign as Chairman and Mr. _____ will become Chairman effective immediately upon completion of this offering.

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
<i>Executive officers, directors and director nominees</i>		
John V. Schaefer	54	President, Chief Executive Officer and Director
Kevan P. Talbot	43	Chief Financial Officer and Secretary
Christopher Eastland	41	Director
Leonard Lee	39	Director
Robert Seidler	48	Director
		Director Nominee
		Director Nominee
		Director Nominee
		Director Nominee
<i>Key employees</i>		
Jeremy R. Sage	42	Senior Vice President, Stores
Larry W. Knight	46	Senior Vice President, Merchandising
Karen Seaman	49	Chief Marketing Officer
Michael L. Van Orden	48	Chief Technology Officer
Christopher B. Utgaard	39	Chief Operations Officer
Matthew G. French	43	Vice President, Compliance

Executive Officers

John V. Schaefer has served as our President and Chief Executive Officer and as a director since August 2009 and served as our Secretary from August 2009 until December 2013. Before joining us, Mr. Schaefer served as the Chief Executive Officer of Team Express, an internet, catalog and retail marketer of sporting goods from December 2008 through August 2009. From August 2007 to December 2008, Mr. Schaefer was with Pierre Foods, a manufacturer, marketer and distributor of pre-cooked and ready-to-cook meals, including as Chief Executive Officer and Chief Restructuring Officer from July 2008 to December 2008. From April 2007 to August 2007, Mr. Schaefer was Managing Director of Lightning Management, LLC, an executive management services firm. From February 1998 to April 2007, Mr. Schaefer held various positions, including that of President and Chief Executive Officer (April 2005 to April 2007), President, Chief Operating Officer, Chief Financial Officer and Director (July 2004 to April 2005), and Chief Financial Officer (April 2001 to July 2004), with Cornerstone Brands, Inc., a family of catalog companies for the home, leisure and casual apparel, including Ballard Designs, Frontgate, Garnet Hill, Improvements, Smith+Noble, The Territory Ahead and TravelSmith. From August 1992 to February 1998, Mr. Schaefer served as Chief Financial Officer and Chief Operating Officer of Eastbay, Inc., a direct marketer of footwear, apparel, equipment and licensed and private label products. From September 2007 until January 2009, Mr. Schaefer was a director and member of the Audit Committee of The Parent Company, a commerce (toys, baby products and electronics), content and new media company controlled by D. E. Shaw Laminar Portfolios, L.L.C. that ceased operations in 2009. From February 2008 to July 2010, Mr. Schaefer was a director and member of the Audit Committee and the Nominating/Governance Committee of Kid Brands, Inc., a company that designs and markets branded infant and juvenile products in a number of categories. Mr. Schaefer received a BBA in Business Administration from the University of Wisconsin and was

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formerly a certified public accountant. Mr. Schaefer has been our President and Chief Executive Officer for over four years, and his leadership and strategic vision over these years have been critical to our success. Mr. Schaefer brings his knowledge of the day-to-day operations of our company to the board of directors, providing invaluable insight to the board of directors as it oversees our operations, growth and finances.

Kevan P. Talbot has served as our Chief Financial Officer since June 2009 and as our Secretary since December 2013. Mr. Talbot joined us as our Controller in June 2002 and also served as our Vice President of Finance from November 2005 to June 2009. Prior to joining us, Mr. Talbot served as an audit and business advisory manager at Arthur Andersen LLP. Mr. Talbot also currently serves as Treasurer and Secretary of Utah Wildlife in Need, a non-profit foundation whose mission is to help Utah's native wildlife. He has served in this capacity since 2008. Mr. Talbot is a certified public accountant and holds a Bachelor of Science degree and a Master of Accountancy degree from Brigham Young University.

Directors and Director Nominees

Upon completion of this offering, our board of directors will consist of seven members. Messrs. _____, _____, and _____ will become directors effective immediately upon completion of this offering, and Mr. Seidler will resign as a member of our board of directors effective immediately upon completion of this offering. Mr. Eastland will resign as Chairman, and Mr. _____ will become Chairman effective immediately upon completion of this offering. The biographical information of Mr. Schaefer is set forth above.

Christopher Eastland has served as a member of our board of directors since August 2009 and as the Chairman since September 2010. In addition to Mr. Eastland's service on our board of directors, he is a partner at Seidler, having joined in 2004, where he is involved in all investment activities, including the structuring, negotiating and closing of portfolio investments, and has served on the boards of numerous private companies. Prior to joining Seidler, Mr. Eastland was an attorney at O'Melveny & Myers LLP from 1999 to 2004. His practice focused principally on mergers and acquisitions and private equity investment, as well as representation of public and private companies in commercial transactions. Mr. Eastland has also served as a director of Parks! America, Inc. since 2006 and as a member of the audit committee and member of the compensation committee of Parks! America, Inc. since 2009. Mr. Eastland received a bachelor's degree in business administration and entrepreneurial studies from the University of Southern California and a Juris Doctor degree from the University of Southern California and is a member of the State Bar of California. We believe that Mr. Eastland's experience of almost ten years at Seidler overseeing investments in its portfolio companies, his experience of serving on the board of directors of Parks! America Inc. and his prior experience as an attorney representing public and private corporations will enable him to provide useful insight to our board of directors.

Leonard Lee has served as a member of our board of directors since August 2009. In addition to Mr. Lee's service on our board of directors, Mr. Lee is a partner at Seidler, having joined in 2005, where he is involved in all investment activities, including the structuring, negotiating and closing of portfolio investments, and has served on the boards of numerous private companies. Previously, from 2004 to 2005, Mr. Lee was a senior research analyst in the institutional research department of The Seidler Companies Incorporated. From 2002 to 2004, Mr. Lee worked as a research analyst at W.R. Huff Asset Management. From 1995 to 2000, Mr. Lee worked in audit and transaction services at PricewaterhouseCoopers. Mr. Lee received a bachelor's degree in accounting from the University of Southern California and an M.B.A. from Columbia Business School. He is a certified public accountant. We believe that Mr. Lee's experience of over eight years at Seidler overseeing investments in its portfolio companies and his prior investment, financial and accounting experience make him an important contributor to our board of directors.

Robert Seidler has served as a member of our board of directors since August 2009. Mr. Seidler had previously served as a member of our board of directors from 2007 to 2008. In addition to his service on our

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board of directors, Mr. Seidler is a managing partner at Seidler, having co-founded Seidler in 1992, where he shares overall leadership responsibility for Seidler's private equity activities, and has served on the boards of numerous private companies. Mr. Seidler received a bachelor of arts degree from Georgetown University and an M.B.A. from the University of California at Los Angeles. Mr. Seidler will resign from our board of directors effective immediately upon completion of this offering.

Key Employees

Set forth below is a brief description of the business experience of our key employees:

Jeremy R. Sage has served as our Senior Vice President, Stores since April 2008. Mr. Sage is the chair of our real estate committee, has overseen the opening of all of our current and planned stores during the last four years and oversees the training of all store personnel. Mr. Sage joined us in 2001 as a Store Manager and served as a District Manager from October 2003 to July 2005 and as Vice President, Stores from July 2005 to April 2008. Previously, from January 1995 to September 1999, Mr. Sage worked as a Store Manager for a local outdoor retailer and, from September 1999 to April 2001, was a Branch Manager for Washington Mutual Bank. Mr. Sage is a veteran of the U.S. Navy.

Larry W. Knight has served as our Senior Vice President, Merchandising since November 2013. Mr. Knight also served as our Vice President, Hard Goods from December 2007 to November 2013 and as our Vice President, Merchandise Manager and Buyer from April 1997 to December 2007. Prior to joining us, from 1991 to 1997, Mr. Knight was an independent sales representative serving both retailers and wholesalers in the mountain states region. Mr. Knight has 24 years of experience in the sporting goods industry and holds a Bachelor of Science degree in Business Administration from Southern Utah University.

Karen Seaman joined us in October 2009 as our Chief Marketing Officer. Prior to joining us, she held various marketing positions including as marketing consultant for the online retailer Hayneedle.com and leading the marketing departments at companies such as R.G. Barry Corporation and Rodenstock USA. With additional retail marketing positions at Micheal's Arts and Crafts and Elder Beerman Department stores (Bon Ton), Ms. Seaman has over 23 years of retail experience and holds a bachelor's degree from Western Michigan University and an M.B.A. from University of Dayton.

Michael L. Van Orden has been our Chief Technology Officer since January 2001. Prior to joining us, Mr. Van Orden worked in information technology for various industries, including high-tech and mortgage banking. Mr. Van Orden has worked in the information technology field for more than 25 years and holds a Bachelor of Science degree in Business Management from the University of Utah.

Christopher B. Utgaard has served as our Chief Operations Officer since 2004. Mr. Utgaard joined us in 2002 and served as our Director of Operations from 2003 to 2004 and as a store manager from 2002 to 2003. Prior to joining us, Mr. Utgaard held positions at The Walt Disney Company from 2001 to 2002 and Deloitte & Touche Consulting from 1996 to 1998. Mr. Utgaard has over ten years of experience in the sporting goods industry and holds a bachelor's degree in economics from Pomona College and an M.B.A. from The Wharton School of the University of Pennsylvania.

Matthew G. French has served as our Vice President, Compliance since December 2003. Mr. French joined us in 1997 and has worked in various positions in the management of the hunting department. Mr. French has more than 20 years of experience in the sporting goods industry and holds a Bachelor of Science degree in Economics from Montana State University.

Other Matters Concerning Executive Officers, Directors and Director Nominees

Mr. Talbot was appointed as our Chief Financial Officer in June 2009 after we voluntarily filed for protection under Chapter 11 of the United States Bankruptcy Court in March 2009 but prior to the final approval

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of our reorganization plan in August 2009. No other executive officer, director or director nominee listed above served in such a capacity for us prior to our emergence from protection under Chapter 11 of the United States Bankruptcy Code.

Board Composition and Election of Directors

Board Composition

Our business and affairs are managed under the direction of our board of directors. Our board of directors currently consists of four members and will consist of seven members upon completion of this offering. Our amended and restated bylaws, which will be in effect upon completion of this offering, will provide that, subject to any rights applicable to any then outstanding preferred stock, our board of directors will consist of a number of directors to be fixed from time to time by resolution adopted by the affirmative vote of a majority of the total directors then in office.

As of the completion of this offering, our amended and restated certificate of incorporation and amended and restated bylaws will provide for a staggered, or classified, board of directors consisting of three classes of directors, each serving a staggered three-year term and with one class being elected at each year's annual meeting of stockholders as follows:

- the Class I directors will be _____ and _____, and their terms will expire at the annual meeting of stockholders to be held in 2015;
- the Class II directors will be _____ and _____, and their terms will expire at the annual meeting of stockholders to be held in 2016; and
- the Class III directors will be _____, _____ and _____, and their terms will expire at the annual meeting of stockholders to be held in 2017.

Upon the expiration of the term of a class of directors, directors for that class will be elected for a new three-year term at the annual meeting of stockholders in the year in which the term expires. Each director's term is subject to the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Subject to any rights applicable to any then outstanding preferred stock, any vacancies on our board of directors may be filled only by the affirmative vote of a majority of the directors then in office. Any increase or decrease in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This classification of our board of directors will make it more difficult for a third party to acquire control of our company.

Director Independence and Controlled Company

We will qualify for the "controlled company" exemption under the corporate governance rules of _____. Although we will have a majority of "independent directors" on our board of directors and an audit committee and a compensation committee comprised solely of independent directors upon completion of this offering, our nominating and governance committee will not be comprised solely of independent directors as defined under the rules of _____. We also retain the option to avail ourselves of the other "controlled company" exemptions at any time in the future that we still qualify as a "controlled company." The "controlled company" exemption does not modify the independence requirements for the audit committee, and we intend to comply with the requirements of the Sarbanes-Oxley Act and _____, which require that our audit committee be composed of at least three members, one of whom will be independent upon the listing of our common stock on _____, a majority of whom will be independent within 90 days of listing and each of whom will be independent within one year of listing.

If at any time we cease to be a "controlled company" under the rules of _____, our board of directors will take all action necessary to comply with corporate governance rules, including establishing a _____

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nominating and corporate governance committee composed entirely of independent directors (if we have not already done so), subject to a permitted “phase-in” period. Our board of directors has determined that each of _____, _____, _____ and _____ qualifies as an “independent director” under the corporate governance rules of _____.

Board Committees

Prior to the completion of this offering, our board of directors will establish an audit committee, a compensation committee and a nominating and governance committee. The composition, duties and responsibilities of these committees are described below.

The table below sets forth the expected membership of each of the committees upon the completion of this offering:

<u>Director</u>	<u>Audit</u>	<u>Compensation</u>	<u>Nominating and Governance</u>
John V. Schaefer			
Christopher Eastland			
Leonard Lee			

Audit Committee

Our audit committee will be responsible for, among other things:

- selecting and hiring our independent registered public accounting firm and approving the audit and non-audit services to be performed by our independent registered public accounting firm;
- evaluating the qualifications, performance and independence of our independent registered public accounting firm;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our internal control policies and procedures;
- preparing the audit committee report required by the SEC to be included in our annual proxy statement;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing with management and the independent registered public accounting firm our interim and year-end operating results; and
- approving related party transactions.

The SEC and _____ rules require us to have one independent audit committee member upon the listing of our common stock on _____, a majority of independent audit committee members within 90 days of the date of such listing and all independent audit committee members within one year of the date of such listing. We will have three independent audit committee members upon the listing of our common stock on _____. Our board of directors has determined that _____ qualifies as an “audit committee financial expert,” as such term is defined in the rules and regulations of the SEC.

Our board of directors will adopt a written charter for our audit committee, which will be available on our website at www.sportsmanswarehouse.com upon completion of this offering.

Compensation Committee

Our compensation committee will be responsible for, among other things:

- reviewing and approving the compensation of our executive officers, including annual base salary, annual incentive bonuses, specific performance goals, equity compensation, employment agreements, severance and change-in-control arrangements and any other benefits, compensation or arrangements;
- reviewing succession planning for our executive officers;
- reviewing compensation goals, bonus and stock compensation criteria for our employees;
- determining the compensation of our directors;
- preparing the compensation committee report required by the SEC to be included in our annual proxy statement; and
- administering, reviewing and making recommendations with respect to our equity compensation plans.

We will have three independent compensation committee members upon the listing of our common stock on . Our board of directors will adopt a written charter for our compensation committee, which will be available on our website at www.sportsmanswarehouse.com upon completion of this offering.

Nominating and Governance Committee

Our nominating and governance committee will be responsible for, among other things:

- assisting our board of directors in identifying prospective director nominees and recommending nominees for each annual meeting of stockholders to our board of directors;
- reviewing developments in corporate governance practices and developing and recommending governance principles applicable to our board of directors;
- overseeing the evaluation of our board of directors and management; and
- recommending members for each board committee of our board of directors.

We intend to avail ourselves of the “controlled company” exemption under rules, which exempts us from the requirement that we have a nominating and governance committee composed entirely of independent directors. Our board of directors will adopt a written charter for our nominating and governance committee, which will be available on our website at www.sportsmanswarehouse.com upon completion of this offering.

Compensation Committee Interlocks and Insider Participation

Mr. Schaefer, our President and Chief Executive Officer, was a member of our board of directors in 2012 and made recommendations to the board of directors as to the compensation of named executive officers other than himself. None of the director nominees who will be members of our compensation committee upon completion of this offering had any relationships requiring disclosure by us under the SEC’s rules requiring disclosure of certain relationships and related-party transactions. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Code of Business Conduct and Ethics

We will adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including those officers responsible for financial reporting. Our code of business conduct and ethics will address, among other things, competition and fair dealing, conflicts of interest, financial matters and external

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reporting, company funds and assets, confidentiality and corporate opportunity requirements and the process for reporting violations of the code of business conduct and ethics, employee misconduct, conflicts of interest or other violations. Our code of business conduct and ethics will be available on our website at www.sportsmanswarehouse.com upon completion of this offering. Any amendments to the code, or any waivers of its requirements, will be disclosed on our website promptly following the date of such amendment or waiver.

Director Compensation for Fiscal Year 2012

None of our non-employee directors received any form of compensation for their services as a member of our board of directors for fiscal year 2012. The compensation paid to Mr. Schaefer with respect to fiscal year 2012 is presented in the Executive Compensation disclosures beginning on page 81. Mr. Schaefer is not entitled to receive additional compensation for his service as a director.

Overview of Director Compensation

We do not currently have a compensation policy for our non-employee directors, and we are in the process of considering compensation arrangements for our non-employee directors on a going forward basis.

EXECUTIVE COMPENSATION

Summary Compensation Table for Fiscal Year 2012

The following table presents information regarding compensation of Messrs. Schaefer and Talbot, our only executive officers during fiscal year 2012, for services rendered during fiscal year 2012. These individuals are referred to as our “named executive officers” in this prospectus.

Name and Principal Position(s) (a)	Year (b)	Salary (\$) (c)	Bonus \$(1) (d)	Stock Awards (\$) (e)	Option Awards (\$) (f)	Non-Equity Incentive Plan Compensation (\$) (g)	Nonqualified Deferred Compensation Earnings (\$) (h)	All Other Compensation \$(2) (i)	Total (\$) (j)
John V. Schaefer President and Chief Executive Officer	2012	653,077	1,187,500	—	—	—	—	88,941	1,929,518
Kevan P. Talbot Chief Financial Officer and Secretary	2012	168,185	165,000	—	—	—	—	22,505	355,690

- (1) The amounts reported in the “Bonus” column of the table above represent discretionary bonuses paid for the named executive officer’s services and contributions in fiscal year 2012 based on our board of directors’ subjective assessment of our performance during fiscal year 2012 relative to a pre-established Adjusted EBITDA goal and on the named executive officer’s individual performance during fiscal year 2012. These discretionary bonuses were recommended and approved by our board of directors.
- (2) The amounts reported in the “All Other Compensation” column of the table above include the following: for Mr. Schaefer, (i) \$39,511 for travel and commuting expenses, (ii) \$1,941 for use of a company-owned automobile, (iii) \$20,000 for a one-time allowance to purchase our merchandise, (iv) \$3,025 for life insurance premiums and (v) \$24,464 for tax gross-up payments on the taxable portion of these amounts; and for Mr. Talbot, (i) \$4,100 for use of a company-owned automobile, (ii) \$10,000 for a one-time allowance to purchase our merchandise, (iii) \$2,431 of aggregate matching contributions under our 401(k) plan and (iv) \$5,974 for tax gross-up payments on the taxable portion of these amounts.

Employment Agreements with Our Named Executive Officers

The following describes the material terms of the employment agreement that we have entered into with Mr. Schaefer. As of the date of this prospectus, we did not have an employment agreement with Mr. Talbot.

Employment Agreement with John Schaefer

Term. On December 10, 2013, we entered into an employment agreement with Mr. Schaefer, our President and Chief Executive Officer. The employment agreement has an initial term that commenced on December 10, 2013 and continues until February 2, 2019, subject to extension by mutual agreement between us and Mr. Schaefer.

Base salary. Mr. Schaefer’s employment agreement provides for an initial annual base salary of \$665,000 and, commencing February 2, 2014, an annual base salary of \$800,000 during the remaining term of the agreement. The employment agreement provides that our board of directors (or a committee thereof) will review Mr. Schaefer’s base salary on a periodic basis which, commencing with fiscal year 2015, will be on an annual basis, and has discretion to increase (but not decrease) his base salary level. The employment agreement also provides that, in the event our board of directors determines that we have met our annual budget (as approved by our board of directors) for a fiscal year (commencing with our fiscal year ending on or about January 31, 2015), Mr. Schaefer’s annual base salary will be increased by an amount determined by our board of directors that is no less than 5% of Mr. Schaefer’s then-current annual base salary.

Annual bonus. During the term of the employment agreement, Mr. Schaefer is eligible to receive an annual performance bonus, payable in cash, for each fiscal year during the term of the employment agreement in an amount determined by our board of directors (or a committee thereof); provided, however, that in the event our EBITDA for a fiscal year is equal to at least 90% of the budgeted EBITDA goal for that year approved by our board of directors, Mr. Schaefer’s cash bonus for that year will be at least equal to 50% of his base salary for

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that year, and in the event our EBITDA for a fiscal year is equal to at least 100% of the budgeted EBITDA goal for that year approved by our board of directors, Mr. Schaefer's cash bonus for that year will be at least equal to 100% of his base salary for that year.

Other compensation. The employment agreement also provides for Mr. Schaefer to participate in the Company's employee benefit plans for senior executives generally, reimbursement of business expenses, reimbursement of certain housing expenses and certain specific other benefits.

Provisions of Mr. Schaefer's employment agreement relating to outstanding equity incentive awards and post-termination of employment benefits are discussed under the applicable sections of this prospectus.

Outstanding Equity Awards at February 2, 2013

None of our named executive officers held any outstanding option awards or unvested stock awards as of February 2, 2013. As described below under "—Equity Incentive Plans—Fiscal Year 2013 Restricted Stock Unit Awards," on December 10, 2013, we granted an award of restricted stock units to Mr. Schaefer, our President and Chief Executive Officer, under the terms of our 2013 Performance Incentive Plan.

Equity Incentive Plans

As of the date of this prospectus, our employees hold outstanding restricted stock units with respect to 418,240 shares of our restricted nonvoting common stock. Those restricted stock units were granted under the 2013 Performance Incentive Plan. As of the date of this prospectus, none of those restricted stock unit awards had vested. As of the date of this prospectus, Mr. Talbot held only shares of our restricted nonvoting common stock and did not hold any of those restricted stock units, and Mr. Schaefer held shares of our restricted nonvoting common stock and 298,490 of those restricted stock units. Upon completion of this offering, the restricted nonvoting common stock will automatically convert on a share-for-share basis into common stock and the restricted stock units granted under the 2013 Performance Incentive Plan will automatically become restricted stock units with respect to our common stock.

The following sections provide more detailed information concerning our benefit plans and, with respect to our equity compensation plans, the shares that are available for future awards under these plans. Each summary below is qualified in its entirety by the full text of the relevant plan document and/or restricted stock unit award agreement, each of which has been filed with the SEC as an exhibit to the registration statement of which this prospectus is a part and is available through the SEC's website at <http://www.sec.gov>.

2010 Equity Incentive Plan

We adopted the 2010 Equity Incentive Plan, or the 2010 Plan, in September 2010. Under the 2010 Plan, we were generally authorized to offer to certain individuals designated by our board of directors as eligible persons under the plan the opportunity to purchase shares of our restricted nonvoting common stock. The purchase price for shares of our restricted nonvoting common stock issued under the 2010 Plan was equal to the fair market value, as determined by our board of directors, of our restricted nonvoting common stock at the time of issuance and was required to have been paid in full at the time of purchase. The shares of our restricted nonvoting common stock that were purchased under the 2010 Plan are subject to substantial restrictions on transfer under the plan and our certificate of incorporation and are subject to certain repurchase rights held by us in connection with certain events, including a termination of the stockholder's employment. Our board of directors, or a committee appointed by the board, administers the 2010 Plan. Our board of directors may amend or terminate the 2010 Plan at any time. No new shares or awards will be issued under the 2010 Plan.

2013 Performance Incentive Plan

In November 2013, our board of directors adopted the 2013 Performance Incentive Plan, or the 2013 Plan, to provide an additional means through the grant of awards to attract, motivate, retain and reward selected

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employees and other eligible persons. Our stockholders also approved this plan in November 2013. Employees, officers, directors and consultants that provide services to us or one of our subsidiaries may be selected to receive awards under the 2013 Plan.

Our board of directors, or one or more committees appointed by the board or another committee (within delegated authority), administers the 2013 Plan. The administrator of the plan has broad authority to:

- select participants and determine the types of awards that they are to receive;
- determine the number of shares that are to be subject to awards and the terms and conditions of awards, including the price (if any) to be paid for the shares or the award and establish the vesting conditions (if applicable) of such shares or awards;
- cancel, modify or waive our rights with respect to, or modify, discontinue, suspend or terminate, any or all outstanding awards, subject to any required consents;
- construe and interpret the terms of the 2013 Plan and any agreements relating to the plan;
- accelerate or extend the vesting or exercisability or extend the term of any or all outstanding awards subject to any required consent;
- subject to the other provisions of the 2013 Plan, make certain adjustments to an outstanding award and authorize the termination, conversion, substitution or succession of an award; and
- allow the purchase price of an award or shares of our stock to be paid in the form of cash, check or electronic funds transfer, by the delivery of previously owned shares of our stock or by a reduction of the number of shares deliverable pursuant to the award, by services rendered by the recipient of the award, by notice and third-party payment or cashless exercise on such terms as the administrator may authorize or any other form permitted by law.

A total of 940,000 shares of our restricted nonvoting common stock are authorized for issuance with respect to awards granted under the 2013 Plan. Except as provided in the next sentence, shares that are subject to or underlie awards which expire or for any reason are cancelled or terminated, are forfeited, fail to vest or for any other reason are not paid or delivered under the 2013 Plan will again be available for subsequent awards under the 2013 Plan. Shares that are exchanged by a participant or withheld by us to pay the exercise price of an award granted under the plan, as well as any shares exchanged or withheld to satisfy the tax withholding obligations related to any award, will not be available for subsequent awards under the 2013 Plan. To the extent that an award is settled in cash or a form other than shares, the shares that would have been delivered had there been no such cash or other settlement will not be counted against the shares available for issuance under the 2013 Plan. As of the date of this prospectus, a total of 418,240 restricted stock units with respect to shares of our restricted nonvoting common stock have been awarded to eligible individuals under the 2013 Plan, including 298,490 restricted stock units awarded to Mr. Schaefer on December 10, 2013. Upon completion of this offering, the restricted nonvoting common stock will automatically convert on a share-for-share basis into common stock and the restricted stock units will automatically become restricted stock units with respect to our common stock. From and after the completion of this offering, all share-based awards granted under the 2013 Plan will be with respect to shares of our common stock.

The following other limits are also contained in the 2013 Plan:

- The maximum number of shares that may be delivered pursuant to options qualified as incentive stock options granted under the plan is 940,000 shares.
- Following the completion of this offering, the maximum number of shares subject to those options and stock appreciation rights that are granted during any calendar year to any individual under the plan is 300,000 shares.

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- “Performance-Based Awards” intended to satisfy the deductibility requirements of Section 162(m) of the Code granted to a participant in any one calendar year will not provide for payment of more than (1) in the case of awards under the plan payable only in cash and not related to shares, \$1,000,000, and (2) in the case of awards related to shares (and in addition to options and stock appreciation rights which are subject to the limit referred to above), 300,000 shares.

Awards under the 2013 Plan may be in the form of incentive or nonqualified stock options, stock appreciation rights, stock bonuses, restricted stock, restricted stock units and other forms of awards including cash awards. Awards under the 2013 Plan generally will not be transferable other than by will or the laws of descent and distribution, except that the plan administrator may authorize certain transfers.

Nonqualified and incentive stock options may not be granted at prices below the fair market value of the restricted nonvoting common stock on the date of grant. Incentive stock options must have an exercise price that is at least equal to the fair market value of our restricted nonvoting common stock, or 110% of fair market value of our restricted nonvoting common stock or incentive stock option grants to any 10% owner of our restricted nonvoting common stock, on the date of grant. These and other awards may also be issued solely or in part for services. Awards are generally paid in shares of our stock or may be paid in cash. The plan administrator may provide for the deferred payment of awards and may determine the terms applicable to deferrals.

As is customary in incentive plans of this nature, the number and type of shares available under the 2013 Plan and any outstanding awards, as well as the exercise or purchase prices of awards, will be subject to adjustment in the event of certain reorganizations, mergers, combinations, conversions, recapitalizations, stock splits, stock dividends or other similar events that change the number or kind of shares outstanding, and extraordinary dividends or distributions of property to the stockholders. In no case (except due to an adjustment referred to above or any repricing that may be approved by our stockholders) will any adjustment be made to a stock option or stock appreciation right award under the 2013 Plan (by amendment, cancellation and regrant, exchange or other means) that would constitute a repricing of the per-share exercise or base price of the award.

Generally, and subject to limited exceptions set forth in the 2013 Plan, if we dissolve or undergo certain corporate transactions such as a merger, business combination or other reorganization, or a sale of all or substantially all of our assets, all awards then-outstanding under the 2013 Plan will become fully vested or paid, as applicable, and will terminate or be terminated in such circumstances, unless the plan administrator provides for the assumption, substitution or other continuation of the award. The plan administrator also has the discretion to establish other change in control provisions with respect to awards granted under the 2013 Plan. For example, the administrator could provide for the acceleration of vesting or payment of an award in connection with a corporate event that is not described above and provide that any such acceleration shall be automatic upon the occurrence of any such event.

Our board of directors may amend or terminate the 2013 Plan at any time, but no such action will affect any outstanding award in any manner materially adverse to a participant without the consent of the participant. Plan amendments will be submitted to stockholders for their approval as required by applicable law or any applicable listing agency. Our board of directors and compensation committee may grant stock and performance incentives or other compensation, in stock or cash, under other plans or authority.

The 2013 Plan will terminate on November 17, 2023. However, the plan administrator will retain its authority until all outstanding awards are exercised or terminated. The maximum term of options, stock appreciation rights and other rights to acquire stock under the plan is ten years after the initial date of the award.

Fiscal Year 2013 Restricted Stock Unit Awards

On December 10, 2013, we granted an award of 298,490 restricted stock units to Mr. Schaefer under the 2013 Plan. Each restricted stock unit represents a contractual right to receive one share of our restricted

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nonvoting common stock if the applicable time-based vesting requirements are satisfied. The restricted stock units granted to Mr. Schaefer in fiscal year 2013 are subject to a four-year vesting schedule, with 25% of the award scheduled to vest on the effective date of the offering and an additional 25% of the award is scheduled to vest on each of the first three anniversaries of the effective date of the offering, subject to Mr. Schaefer's continued employment or service. Mr. Schaefer does not have the right to vote or dispose of the restricted stock units, but, in the event we pay dividends with respect to our restricted nonvoting common stock, Mr. Schaefer would be credited with additional restricted stock units that are subject to the same vesting and payment terms as the underlying stock units.

Defined Contribution Plan

As part of our overall compensation program, we provide all full-time employees, including our named executive officers, with the opportunity to participate in a defined contribution 401(k) plan. Our 401(k) plan is intended to qualify under Section 401 of the Internal Revenue Code so that employee contributions and income earned on such contributions are not taxable to employees until withdrawn. Employees may elect to defer up to 50% of their eligible compensation (not to exceed the statutorily prescribed annual limit) in the form of elective deferral contributions to our 401(k) plan. Our 401(k) plan also has a "catch-up contribution" feature for employees aged 50 or older (including those who qualify as "highly compensated" employees) who can defer amounts over the statutory limit that applies to all other employees. We also provide matching contributions of up to 25% of the first 6% of eligible compensation deferred by each of our 401(k) plan participants, with a maximum matching contribution of 1.5% of eligible compensation per participant per plan year. Our employees are allowed to participate in the 401(k) on the first day of the month following 90 days of employment, and 401(k) plan participants are eligible to receive employer matching contributions after one year of continuous service. Participants are always vested in their personal contributions to the 401(k) plan, and company-matching contributions under the plan vest at a rate of 20% per year of service.

Except as described above in this prospectus with respect to our 401(k) plan, we do not currently maintain any additional retirement plans, tax-qualified or nonqualified, for our executives or other employees.

Perquisites

As part of our overall compensation program, we provide our named executive officers with certain perquisite benefits, including certain use of a company-provided automobile and, for Mr. Schaefer, reimbursement for certain travel and commuting expenses. Because we believe that it is appropriate for our named executive officers to use our merchandise, in fiscal year 2012 we also provided a one-time allowance of \$20,000 and \$10,000 to Mr. Schaefer and Mr. Talbot, respectively, to purchase our merchandise. We provide our named executive officers with a tax gross-up payment to help offset the tax liability that would result from some of these benefits. The amounts of these perquisite benefits are set forth in footnote (2) to the "Summary Compensation Table for Fiscal Year 2012" above.

Potential Payments Upon a Termination or Change of Control

The following section describes the benefits that may become payable to our named executive officers in connection with a termination of their employment and/or a change of control of us under the circumstances described below.

John Schaefer

Mr. Schaefer's employment agreement, which was entered into on December 10, 2013 and is described under the heading "—Employment Agreements with Our Named Executive Officers," provides for certain benefits to be paid to him in connection with a termination of his employment with us under the following circumstances:

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Termination of employment for death, incapacity or gross misconduct or without good reason. In the event that Mr. Schaefer's employment is terminated during his employment term due to his death or incapacity or for gross misconduct, or by Mr. Schaefer without good reason (as such terms are defined in his employment agreement), Mr. Schaefer will be entitled to receive his base salary and paid personal time off accrued through the date of termination and payment of any unreimbursed business expenses (the "accrued obligations").

Termination of employment without gross misconduct or with good reason. In the event that Mr. Schaefer's employment is terminated during his employment term without gross misconduct or by Mr. Schaefer with good reason, Mr. Schaefer will be entitled to the following benefits: (1) the accrued obligations; (2) continued payment of his base salary (at the rate in effect on the termination date) through the date that is 18 months following the termination date; (3) a pro-rata portion of his target bonus for the year of termination; (4) continued COBRA benefits through the date that is 18 months following the termination date (or, if earlier, the date of his death, the date he becomes eligible for coverage under a future employer's plan and the date we cease to offer group medical coverage to active executive employees or we are otherwise under no obligation to offer COBRA continuation coverage to Mr. Schaefer); and (5) payment of certain moving and other expenses incurred in connection with the sale described below and relocation, in the event that, during the 24-month period following his termination of employment, Mr. Schaefer (a) is required to relocate his personal residence proximate to our headquarters and (b) chooses to sell such personal residence that is then-located near our headquarters and to relocate to another area in the continental United States. In addition, Mr. Schaefer's equity-based awards will generally become fully vested, to the extent then outstanding and not otherwise vested, in connection with such a termination of employment. The severance benefits described above are contingent upon Mr. Schaefer's continued compliance with the restrictive covenants in his employment agreement and upon Mr. Schaefer providing a general release of claims.

Restrictive covenants. Pursuant to Mr. Schaefer's employment agreement, Mr. Schaefer has agreed not to disclose any of our confidential information or to publicly disparage us at any time during or after his employment with us. In addition, Mr. Schaefer has agreed that, for a period of one year following a termination of his employment with us, he will not engage in certain competitive activities with us and, for a period of three years following a termination of his employment with us, he will not solicit our employees or customers.

Kevan Talbot

Mr. Talbot has not entered into any contract, agreement, plan or arrangement, whether written or unwritten, that provides for payments to Mr. Talbot at, following or in connection with the resignation, retirement or other termination of Mr. Talbot, or a change in control of us or a change in Mr. Talbot's responsibilities following a change in control. Mr. Talbot has agreed not to disclose any of our confidential information or to publicly disparage us at any time during or after his employment with us. In addition, Mr. Talbot has agreed that, for a period of one year following a termination of his employment with us, he will not engage in certain competitive activities with us and, for a period of three years following a termination of his employment with us, he will not solicit our employees or customers.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Registration Rights Agreement with Seidler

We will enter into a registration rights agreement with affiliates of Seidler prior to the completion of this offering. Pursuant to this agreement, we will grant to Seidler registration rights for the common stock it beneficially owns. Under the registration rights agreement, Seidler may require us to use our commercially reasonable efforts to register for resale their registrable shares of our common stock under the Securities Act. These registration rights include the following provisions:

Demand Registration Rights. We will grant up to _____ demand registrations to affiliates of Seidler so long as the holders of _____ % of our common stock held by affiliates of Seidler and their permitted transferees request such registration.

Form S-3 Registration Rights. At such time as we have qualified for the use of Form S-3, affiliates of Seidler and certain of their permitted transferees may require us to use our commercially reasonable efforts to register the resale of any of their registrable shares on Form S-3.

Piggyback Registration Rights. If at any time, we propose to file a registration statement under the Securities Act for our common stock (excluding the registration statement of which this prospectus forms a part), we will offer to include the registrable shares of Seidler and certain of their permitted transferees in the registration statement subject only to a determination by the underwriters that the success of the offer or the offering price would be adversely affected by the inclusion of securities of the parties.

Expenses. We will be responsible for paying all registration expenses in connection with any registration pursuant to the registration rights agreement, excluding any underwriting fees, commissions, discounts and allowances.

Indemnification. We will agree to indemnify each of the stockholders party to the registration rights agreement against certain liabilities under the Securities Act in connection with any registration of their registrable shares.

Indemnification of Officers and Directors

Prior to the completion of this offering, we will enter into indemnification agreements with each of our current executive officers and directors. These agreements 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. Additionally, we may enter into indemnification agreements with any future directors or executive officers. See “Description of Capital Stock—Limitation on Liability of Directors and Officers.”

Policies and Procedures for Related Party Transactions

Our board of directors will adopt a formal written policy, to be effective upon the completion of this offering, providing that our audit committee will be responsible for reviewing “related party transactions,” which are transactions (i) in which we are or will be a participant, (ii) in which the aggregate amount involved exceeds or may be expected to exceed \$120,000, or such lower threshold as our audit committee may determine, and (iii) in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person will be defined as a director, nominee for director, executive officer or greater than 5% beneficial owner of our common stock and their immediate family members. Under this policy, all related party transactions may be consummated or continued only if approved or ratified by our audit committee. In reviewing and approving any such transactions, our audit committee will be tasked to consider all relevant facts and circumstances, including, but not limited to, whether the transaction is on terms comparable to those that could be obtained in an arm’s length transaction and the extent of the related person’s interest in the transaction.

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No member of our audit committee may participate in the review, approval or ratification of a transaction with respect to which he or she is a related party, except that such member can be counted for purposes of a quorum and shall provide such information with respect to the transaction as may be reasonably requested by other members of the committee.

The policies described above have not yet been adopted, and, as a result, the transactions described under this section were not reviewed under such policies.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information as of December 10, 2013, regarding the beneficial ownership of our common stock by:

- each person known by us to beneficially own more than 5% of our outstanding common stock;
- each of our directors and director nominees;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- the selling stockholder.

Beneficial ownership for purposes of the following table is determined in accordance with the rules and regulations of the SEC. Under these rules, a person is deemed to be a “beneficial owner” of a security if that person has sole or shared “voting power,” which includes the power to vote or to direct the voting of such security, or “investment power,” which includes the power to dispose of or to direct the disposition of such security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days after December 10, 2013. Under these rules, more than one person may be deemed a beneficial owner of the same securities, and a person may be deemed a beneficial owner of securities as to which he has no economic interest. The information presented in the table below is based on _____ shares of our common stock outstanding as of December 10, 2013, after giving effect to the conversion of restricted nonvoting common stock to common stock, which will be effective upon completion of this offering.

Except as indicated in the footnotes to this table and subject to applicable community property laws, we believe that each stockholder identified in the table possesses sole voting and investment power over all shares of common stock shown as beneficially owned by such stockholder. Unless otherwise noted below, the address of the persons listed on the table is c/o Sportsman’s Warehouse Holdings, Inc., 7035 South High Tech Drive, Midvale, Utah 84047.

Name	Shares Beneficially Owned Prior to This Offering(1)		Number of Shares Offered	Shares Beneficially Owned After This Offering(1)	
	Number	Percent		Number	Percent
Greater than 5% Stockholders:					
SEP SWH Holdings GP, LLC(2)(3)	9,500,000	82.8%			
Executive Officers, Directors and Director Nominees:					
John Schaefer(4)	891,125	7.8	—	965,747	
Kevan Talbot	157,250	1.4	—	157,250	*
Christopher Eastland(3)	—	—	—	—	—
Leonard Lee(3)	—	—	—	—	—
Robert Seidler(2)(3)	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
	—	—	—	—	—
All directors, director nominees and executive officers as a group (9 persons)	1,048,375	9.1			

* Less than 1.0%

(1) The number of shares of common stock shown under the column “Shares beneficially owned prior to this offering” and “Shares beneficially owned after this offering” gives effect to the conversion of all of the 1,978,003 outstanding shares of restricted nonvoting common stock into the same number of shares of common stock upon the completion of this offering.

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- (2) SEP SWH Holdings, L.P. (“SEP”) is the record owner of 4,700,000 common shares, and New SEP SWH Holdings, L.P. (“New SEP”) is the record owner of 4,800,000 common shares (collectively, the “SEP-Owned Shares”). SEP SWH Holdings GP, LLC is the general partner of both of these limited partnerships. Seidler Equity Partners III, L.P. (“SEP III”) is the sole member of SEP SWH Holdings GP, LLC. Seidler Kutsenda Management Company, LLC (“SKMC”), as the investment manager of SEP III, has ultimate sole voting and dispositive power over all of the SEP-Owned Shares. SKMC’s Investment Committee makes all voting, investment and disposition decisions on behalf of SKMC. That committee is comprised of Peter Seidler, Robert Seidler, Eric Kutsenda and Jonelle Jue. Their address is c/o Seidler Kutsenda Management Company, LLC, 4640 Admiralty Way, Suite 1200, Marina del Rey, California 90292. None of these individuals individually exercises control over SKMC, and, therefore, each of them disclaims beneficial ownership in any SEP-Owned Shares, except to the extent of their respective indirect pecuniary interests, if any, in those shares.
- (3) The address of each of Messrs. Eastland, Lee and Seidler and each of SEP and New SEP is c/o Seidler Kutsenda Management Company, LLC, 4640 Admiralty Way, Suite 1200, Marina del Rey, California 90292.
- (4) Includes 391,125 shares of common stock held by the Schaefer Family Exempt Trust, dated November 18, 2011. Shares beneficially owned after this offering includes 74,622 shares issued pursuant to restricted stock units that will vest upon completion of this offering.

DESCRIPTION OF CAPITAL STOCK

The following description of our capital stock and provisions of our amended and restated certificate of incorporation and amended and restated bylaws, each of which will be in effect upon completion of this offering, are summaries only. These summaries do not purport to be complete and are subject to and qualified by reference to our amended and restated certificate of incorporation and amended and restated bylaws, copies of which will be filed with the SEC as exhibits to our registration statement of which this prospectus forms a part, and by the provisions of applicable law. This description of our capital stock reflects changes to our capital structure that will become effective upon completion of this offering.

Authorized Capitalization

Upon completion of this offering, our authorized capital stock will consist of _____ shares of common stock, par value \$0.01 per share, _____ shares of restricted nonvoting common stock, par value \$0.01 per share, and _____ shares of preferred stock, par value \$0.01 per share. There will be _____ shares of common stock outstanding immediately after this offering and no shares of restricted nonvoting common stock or preferred stock outstanding.

As of December 10, 2013, we had 9,500,000 shares of common stock and 1,978,003 outstanding shares of restricted nonvoting common stock outstanding, and we had 418,240 shares of common stock issuable upon vesting of restricted stock units outstanding under our 2013 Performance Incentive Plan. Upon completion of the offering, each share of restricted nonvoting common stock will automatically convert into one share of common stock. As of December 10, 2013, our outstanding capital stock was held by 26 stockholders of record.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of stockholders, including the election or removal of directors. All matters to be voted on by stockholders must be approved by a majority of the votes entitled to be cast by the holders of common stock present in person or represented by proxy, subject to any voting rights granted to holders of any preferred stock.

There are no cumulative voting rights for the election of directors, which means that the holders of a majority of the shares of our common stock voted will be entitled to elect all of our directors.

Dividends

Subject to the rights of holders of any then-outstanding shares of our preferred stock, holders of our common stock are entitled to receive ratably any dividends that may be declared by our board of directors out of funds legally available therefor.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock would be entitled to share ratably in all assets available for distribution to stockholders after the payment of or provision for all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Other Rights

Holders of our common stock do not have preemptive rights to purchase shares of our stock. The shares of our common stock are not subject to any redemption provisions and are not convertible into any other shares of our capital stock. The rights, preferences and privileges of holders of our common stock will be subject to those of the holders of any shares of our preferred stock we may issue in the future.

Blank Check Preferred Stock

Under the terms of our amended and restated certificate of incorporation that will be in effect upon completion of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to _____ shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences. There are currently no shares of preferred stock outstanding, and we have no present plans to issue any shares of preferred stock.

The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, could make it more difficult for a third party to acquire, or could adversely affect the rights of our common stockholders by restricting dividends on the common stock, diluting the voting power of the common stock, impairing the liquidation rights of the common stock or delaying or preventing a change in control without further action by the stockholders. As a result of these or other factors, the issuance of preferred stock could have an adverse impact on the market price of our common stock.

Anti-Takeover Effects of Certain Provisions of Delaware Law, the Certificate of Incorporation and the Bylaws

Our amended and restated certificate of incorporation and our amended and restated bylaws will contain provisions that are intended to enhance the likelihood of continuity and stability in the composition of our board of directors and that could make it more difficult to acquire control of our company by means of a tender offer, open market purchases, a proxy contest or otherwise. We expect that these provisions, which are summarized below, will discourage coercive takeover practices or inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors, which we believe may result in an improvement of the terms of any such acquisition in favor of our stockholders. However, they also give our board of directors the power to discourage acquisitions that some stockholders may favor. A description of these provisions is set forth below.

Classified Board

Our certificate of incorporation to be in effect upon completion of this offering will provide for our board of directors to be divided into three classes, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time-consuming for stockholders to replace a majority of the directors on a classified board.

Removal of Directors Only for Cause

Delaware law provides that for classified boards, a director may be removed only for cause unless the corporation's certificate of incorporation provides otherwise. Our certificate of incorporation to be in effect upon completion of this offering will not provide otherwise.

Supermajority Vote to Approve Change in Control Transactions

Our certificate of incorporation to be in effect upon completion of this offering will provide that the approval of not less than two-thirds of the board of directors is required to approve a change in control transaction and other significant corporate transactions, which would include a merger, consolidation, liquidation, dissolution or sale of all or substantially all of our assets.

No Cumulative Voting

Under Delaware law, the right to vote cumulatively does not exist unless the certificate of incorporation specifically authorizes cumulative voting. Our certificate of incorporation to be in effect upon completion of this offering does not grant stockholders the right to vote cumulatively. Therefore, stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors.

No Written Consent of Stockholders

Our amended and restated bylaws will provide that, once Seidler owns less than a majority of the outstanding shares of our common stock, all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting.

Advance Notice Procedure

Our amended and restated bylaws will provide that our chief executive officer, chairman of the board, a majority of the members of our board of directors then in office or the holders of at least 25% of the outstanding shares of our common stock may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our amended and restated bylaws will limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

Our amended and restated bylaws will also establish an advance notice procedure for stockholders to make nominations of candidates for election as directors, or bring other business before an annual or special meeting of the stockholders. This notice procedure provides that only persons who are nominated by, or at the direction of, our board of directors or any duly authorized committee of the board of directors, or by a stockholder who is entitled to vote at the meeting and who has given timely written notice to the secretary of our company prior to the meeting at which directors are to be elected, will be eligible for election as directors. The procedure also requires that, in order to raise matters at an annual or special meeting, those matters must be raised before the meeting pursuant to the notice of meeting the company delivers or by, or at the direction of, our board of directors or any duly authorized committee of the board of directors, chairman or by a stockholder who is entitled to vote at the meeting and who has given timely written notice to our secretary of his, her or its intention to raise those matters at the annual or special meeting. If the officer presiding at a meeting determines that a person was not nominated, or other business was not brought before the meeting, in accordance with the notice procedure, that person will not be eligible for election as a director, or that business will not be conducted at the meeting, as applicable.

Blank Check Preferred Stock

Our amended and restated certification of incorporation will provide for _____ authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interest of us and our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our amended and restated certification of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

Authorized but Unissued Shares

Our authorized but unissued shares of common stock are available for future issuance without stockholder approval. We may use these additional shares for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued shares of common stock could render more difficult or discourage an attempt to obtain control of us by means of a proxy contest, tender offer, merger or otherwise.

Section 203 of the Delaware General Corporate Law

Upon completion of this offering, we will be subject to the provisions of Section 203 of the Delaware General Corporation Law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. A “business combination” includes, among other things, a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. An “interested stockholder” is a person who, together with affiliates and associates, owns, or did own within three years prior to the determination of interested stockholder status, 15% or more of the corporation’s voting stock. Under Section 203, a business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, the board of directors approved either the business combination or the transaction that 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 the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, shares owned by persons who are directors and also officers, and employee stock plans, in some instances; or
- at or after the time the stockholder became interested, the business combination was approved by the board of directors of the corporation and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

Corporate Opportunities

Our largest stockholder, Seidler, is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. Corporate opportunities may therefore arise in the area of potential acquisitions of competitive businesses that may be attractive to us as well as to Seidler. Seidler and members of our board of directors affiliated with Seidler and its affiliates, by the terms of our amended and restated certificate of incorporation, are not required to offer us any transaction opportunity of which they become aware and could take such opportunity for themselves or offer it to other companies in which they have an investment, unless such opportunity is expressly offered to them solely in their capacity as members of our board of directors.

The overall effect of the foregoing provisions may be to deter a future tender offer. Stockholders might view such an offer to be in their best interest should the offer include a substantial premium over the market price of our common stock at that time. In addition, these provisions may have the effect of assisting our management to retain its position and place it in a better position to resist changes that the stockholders may want to make if dissatisfied with the conduct of our business.

Limitation on Liability of Directors and Officers

Our amended and restated certificate of incorporation, which will be in effect upon completion of this offering, limits the liability of directors to the fullest extent permitted by Delaware law. The effect of these provisions is to eliminate the rights of us and our stockholders, through stockholders' derivative suits on behalf of us, to recover monetary damages from a director for breach of fiduciary duty as a director, including breaches resulting from grossly negligent behavior. However, exculpation does 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.

In addition, our amended and restated certificate of incorporation and amended and restated bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. We also expect to continue to maintain directors' and officers' liability insurance. We believe that these indemnification provisions and insurance are useful to attract and retain qualified directors and executive officers.

The limitation of liability and indemnification 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 may also 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 to the indemnification required in our amended and restated certificate of incorporation and amended and restated bylaws, we expect to enter into indemnification agreements with each of our current directors and officers before the completion of this offering. These agreements will provide for the indemnification of our directors and officers for all reasonable expenses and liabilities incurred in connection with any action or proceeding brought against them by reason of the fact that they are or were our agents. We believe that these bylaw provisions and indemnification agreements, as well as our maintaining directors' and officers' liability insurance, help to attract and retain qualified persons as directors and officers.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be _____.

Listing

We intend to list our common stock on _____ under the symbol "_____."

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there was no public market for our common stock. Future sales of our common stock in the public market, the perception that such sales may occur or the availability of such shares for sale in the public market could adversely affect market prices prevailing from time to time. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after such restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price at such time and our ability to raise equity capital in the future.

Upon completion of this offering, _____ shares of common stock will be outstanding. Of these shares, all of the shares sold in this offering will be freely tradable without restriction under the Securities Act, unless purchased by our “affiliates” as that term is defined under Rule 144 under the Securities Act. Of the remaining _____ shares of common stock outstanding after this offering, _____ shares will be “restricted securities” within the meaning of Rule 144 and _____ shares will not be considered restricted securities. 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, including the exemptions provided by Rule 144 and Rule 701 under the Securities Act, which rules are summarized below. Seidler will beneficially own the _____ shares after this offering that will not be restricted securities. These shares will not be considered “restricted securities” within the meaning of Rule 144 because Seidler acquired them in 2009 in connection with our plan of reorganization under Chapter 11 of the United States Bankruptcy Code. Seidler, though, may be deemed an affiliate of us, and, as a result, Seidler will be required to meet the notice, manner-of-sale and volume limitations of Rule 144 in order to resell those shares in reliance on Rule 144. However, Seidler will not be required to meet any holding period requirement under Rule 144 for its shares that are not deemed “restricted securities.” See “—Rule 144” below.

Rule 144

Rule 144 provides an exemption from the registration and prospectus-delivery requirements of the Securities Act. This exemption is available to affiliates of ours that sell our restricted or non-restricted securities and also to non-affiliates that sell our restricted securities.

In general, under Rule 144 under the Securities Act, a person who is, or at any time during the 90 days preceding the sale was, an affiliate of ours, or someone selling shares on behalf of such a person, would be entitled to sell, within any three-month period, 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 the completion of this offering; and
- the average weekly trading volume of our common stock on _____ during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

For purposes of this volume limitation, shares sold by certain parties related to these persons will be aggregated. In addition, sales by these persons must also satisfy requirements with respect to the manner of sale, public notice, the availability of current public information about us and, in the case of restricted securities, a six-month minimum holding period for those shares.

A person who is not, and was not at any time during the 90 days preceding the sale, an affiliate of ours, and who has owned the restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than an affiliate of ours, would be entitled to sell those shares, subject only to the availability of current public information about us. However, the current public information requirement will cease to apply with respect to these persons if they have owned the restricted securities within the meaning of Rule 144 for at least one year, including the holding period of any prior owner other than an affiliate of ours.

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Rule 144 does not supersede the terms of the lock-up agreement referred to below, which may restrict sales of our shares until at least 180 days after the date of this prospectus.

Rule 701

Rule 701 under the Securities Act, as in effect on the date of this prospectus, permits resales of certain shares in reliance upon Rule 144 but without compliance with certain restrictions of Rule 144, including the current public information and holding period requirements. Most of our employees, executive officers or directors who purchased shares under a written compensatory plan or contract may be entitled to rely on the resale provisions of Rule 701, but all holders of Rule 701 shares are required to wait until 90 days after the date of this prospectus before selling their shares.

Rule 701 does not supersede the terms of the lock-up agreements referred to below, which may restrict sales of our shares until at least 180 days after the date of this prospectus.

Lock-up Agreements

We and our executive officers, directors and holders of our common stock and restricted nonvoting common stock prior to consummation of this offering will have agreed, subject to certain exceptions, with the underwriters that for a period of 180 days after the date of this prospectus, we or they will not (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any class of our common equity or any securities convertible into or exchangeable or exercisable for any class of our common equity (which we refer to as lock-up securities), enter into a transaction which 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 any lock-up securities, whether any such aforementioned transaction is to be settled by delivery of the any lock-up 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 or (ii) make any demand for or exercise any right with respect to, the registration of any lock-up securities. The representatives of the underwriters may, in their discretion, at any time without prior notice, release all or any portion of the shares from the restrictions in any such agreement. See “Underwriting” for more information.

Registration Rights

The registration rights agreement will provide that Seidler and certain permitted transferees will have the right to require us to register the resale of any or all of its shares under the Securities Act at our expense, subject to certain limitations and conditions. Registration of the offer and sale of shares held by Seidler under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon effectiveness of the registration, subject to the expiration of the lock-up period. See “Certain Relationships and Related Party Transactions—Registration Rights Agreement with Seidler” for more information.

Equity Plans

As soon as practicable after the completion of this offering, we intend to file a Form S-8 registration statement under the Securities Act to register the offer and sale of shares of our common stock subject to awards outstanding or reserved for issuance under our 2013 Performance Incentive Plan. Such registration statement will become effective immediately upon filing, and shares covered by such registration statement will thereupon be eligible for sale in the public markets, subject to Rule 144 limitations applicable to affiliates and any lock-up agreements. For a more complete discussion of our stock plans, see “Executive Compensation—Equity Incentive Plans.”

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following is a summary of the material United States federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This summary is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, nor does it address any estate and gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service, or IRS, all as in effect as of the date of this offering. These authorities may change, possibly retroactively, resulting in tax consequences different from those discussed below. No ruling has been or will be sought from the IRS with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position regarding the tax consequences of the acquisition, ownership or disposition of our common stock, or that any such contrary position would not be sustained by a court.

This discussion is limited to non-U.S. holders who purchase our common stock issued pursuant to this offering and who hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder’s particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including, without limitation, former citizens or residents of the United States, partnerships or other pass-through entities and investors in such entities, real estate investment trusts, regulated investment companies, “controlled foreign corporations,” “passive foreign investment companies,” corporations that accumulate earnings to avoid U.S. federal income tax, banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities, commodities or currencies, tax-exempt organizations, tax-qualified retirement plans, persons subject to the alternative minimum tax, persons who acquired our common stock as compensation for services, persons that own, or have owned, actually or constructively, more than 5% of our common stock and persons holding our common stock as part of a hedging, integrated or conversion transaction or straddle, or a wash sale, constructive sale, or other risk reduction strategy. Prospective investors subject to special rules under the U.S. federal income tax laws are encouraged to consult their own tax advisors to determine the U.S. federal, state, local, and other tax consequences that may be relevant to them.

If a partnership (or other entity taxed as a partnership for U.S. federal income tax purposes) holds our common stock, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. If you are a partnership holding our common stock or a partner of a partnership holding our common stock, you are encouraged to consult your own tax advisors regarding the specific U.S. federal income tax consequences to you of acquiring, owning or disposing of our common stock.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS, ANY PROPOSED CHANGES IN APPLICABLE LAWS AND ANY APPLICABLE TAX TREATY.

Definition of Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a “U.S. person” or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;

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- an estate the income of which is subject to U.S. federal income tax regardless of its source;
- a trust the administration of which is subject to the primary supervision of a U.S. court and with respect to which one or more U.S. persons has the authority to control all substantial decisions of the trust; or
- a trust that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person for U.S. federal tax purposes.

Distributions on Our Common Stock

As described in the section entitled “Dividend Policy,” we do not anticipate declaring or paying dividends to holders of our common stock in the foreseeable future. However, if we were to make cash or other property distributions on our common stock, such distributions generally will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder’s tax basis in the common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of the common stock and will be treated as described under “—Gain on Sale, Exchange or Other Disposition of Our Common Stock” below.

Dividends paid to a non-U.S. holder of our common stock that are not effectively connected with a U.S. trade or business conducted by such non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate specified by an applicable income tax treaty. You are encouraged to consult your own tax advisors regarding your entitlement to benefits under a relevant income tax treaty. Generally, in order for us or our paying agent to withhold tax at a lower treaty rate, a non-U.S. holder must certify its entitlement to treaty benefits. A non-U.S. holder generally can meet this certification requirement by providing a properly executed Form W-8BEN (or applicable successor form) or appropriate substitute form to us or our paying agent. This certification must be provided to us or our paying agent prior to the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries. Non-U.S. holders that do not timely provide us or our paying agent with the required certification, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on the common stock are effectively connected with such holder’s U.S. trade or business (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States), the non-U.S. holder generally will be exempt from U.S. federal withholding tax. To claim any applicable exemption, the non-U.S. holder must generally furnish to us or our paying agent a properly executed IRS Form W-8ECI (or applicable successor form) and comply with applicable disclosure requirements. Any dividends paid on our common stock that are effectively connected with a non-U.S. holder’s United States trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by the non-U.S. holder in the United States) generally will be subject to United States federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in much the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) on all or a portion of any such dividends. Non-U.S. holders should consult any applicable income tax treaties that may provide for different rules.

Gain on Sale, Exchange or Other Disposition of Our Common Stock

Subject to the discussion below regarding backup withholding and FATCA withholding, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale, exchange or other disposition of our common stock, unless:

- the gain (1) is effectively connected with the conduct by the non-U.S. holder of a U.S. trade or business and (2) if required by an applicable income tax treaty between the United States and the non-U.S. holder's country of residence, is attributable to a permanent establishment or fixed base maintained by the non-U.S. holder in the United States (in which case the special rules described below apply);
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the sale, exchange or other disposition of our common stock and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) on all or a portion of such gain. Non-U.S. holders should consult any applicable income tax treaties that may provide for different rules.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by U.S. source capital losses realized during the same taxable year, provided that the non-U.S. holder has timely and properly filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes. However, because the determination of whether we are a USRPHC depends on the fair market value of our U.S. real property relative to the fair market value of our other business assets and our foreign real property interests, there can be no assurance that we are not or will not become a USRPHC in the future. If we are or become a USRPHC, so long as our common stock is considered regularly traded on an established securities market, only a non-U.S. holder that actually or constructively holds or held more than 5% of our common stock at any time during the shorter of the five-year period ending on the date of the sale or other taxable disposition or the non-U.S. holder's holding period for our stock will be subject to U.S. federal income tax on the disposition of our common stock. If gain on the sale or other taxable disposition of our common stock were subject to taxation under the third bullet point above, any such taxable gain recognized by the non-U.S. holder would be taxed in the same manner as gain described in the first bullet point above, except that the branch profits tax would not apply.

Medicare Tax

It is unclear whether the recently enacted Medicare tax on unearned income applies to non-U.S. holders that are estates or trusts and have one or more U.S. beneficiaries. Such persons should consult their own tax advisors on this issue.

Information Reporting and Backup Withholding

We must report annually to the IRS and to each non-U.S. holder the amount of dividends or other distributions on our common stock paid to such holder and the amount of any tax withheld with respect to those dividends. These information reporting requirements apply even if no withholding was required, either because

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the dividends were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty, or otherwise. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established.

Backup withholding generally will not apply to payments to a non-U.S. holder of dividends on, or the gross proceeds on a disposition of, our common stock provided the non-U.S. holder furnishes to us or our paying agent the required certification as to its non-U.S. status, such as by providing a properly executed IRS Form W-8BEN or IRS Form W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either we or our paying agent has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient.

Information reporting and backup withholding generally are not required with respect to the amount of any proceeds from the sale of your shares of common stock outside the United States through a foreign office of a foreign broker that does not have certain specified connections to the United States. However, if you sell your shares of common stock through a United States broker or the United States office of a foreign broker, the broker will be required to report the amount of proceeds paid to you to the IRS and also backup withhold on that amount unless you provide appropriate certification (usually on an IRS Form W-8BEN) to the broker of your status as a non-United States person or you are an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder is encouraged to consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

FATCA Withholding

The Foreign Account Tax Compliance Act, or FATCA, will impose a U.S. federal withholding tax of 30% on certain payments to foreign financial institutions, investment funds and certain other non-U.S. persons that fail to comply with certain information reporting and certification requirements pertaining to their direct and indirect U.S. securityholders and/or U.S. accountholders. Such payments would include our dividends and the gross proceeds from the sale or other disposition of our common stock. Under recently issued final Treasury Regulations and subsequent IRS guidance, this withholding will apply to payments of dividends on our common stock made on or after July 1, 2014 and to payments of gross proceeds from a sale or other disposition of our common stock made on or after January 1, 2017. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO CONSULT THEIR OWN TAX ADVISORS TO DETERMINE THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSIDERATIONS OF THE PURCHASE, OWNERSHIP, AND DISPOSITION OF OUR COMMON STOCK.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated as of the date of this prospectus, we and the selling stockholder have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC and Goldman, Sachs & Co. are acting as representatives, the following respective numbers of shares of common stock:

<u>Underwriter</u>	<u>Number of Shares</u>
Credit Suisse Securities (USA) LLC	
Goldman, Sachs & Co.	
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.

The selling stockholder has granted to the underwriters a 30-day option to purchase 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 \$ _____ per share. The underwriters and selling group members may allow a discount of \$ _____ per share on sales to other broker/dealers. After the initial public offering, the representatives may change the public offering price and concession and discount to broker/dealers.

The following table summarizes the compensation and underwriting discounts and commissions we and the selling stockholder will pay:

	<u>Per Share</u>		<u>Total</u>	
	<u>Without Over-allotment</u>	<u>With Over-allotment</u>	<u>Without Over-allotment</u>	<u>With Over-allotment</u>
Underwriting Discounts and Commissions paid by us	\$	\$	\$	\$
Underwriting Discounts and Commissions paid by selling stockholder	\$	\$	\$	\$

We estimate that our out of pocket expenses for this offering will be approximately \$ _____.

The underwriters have informed us that they do not expect sales to accounts over which the underwriters have discretionary authority to exceed 5% of the shares of common stock being offered. The underwriters will not confirm sales to any accounts over which they exercise discretionary authority without first receiving a written consent from those accounts.

We have agreed that, subject to certain exceptions, for the period specified below, we will not, directly or indirectly, take any of the following actions with respect to any class of our common equity or any securities convertible into or exchangeable or exercisable for any class of our common equity (which we refer to as "lock-up securities"): (1) offer, sell, issue, contract to sell, pledge or otherwise dispose of lock-up securities, (2) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase lock-up securities, (3) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of lock-up securities, (4) establish or increase a put equivalent position or liquidate or

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decrease a call equivalent position in lock-up securities within the meaning of Section 16 of the Exchange Act, or (5) file with the SEC a registration statement under the Securities Act, relating to lock-up securities, or publicly disclose the intention to take any such action, without the prior written consent of the representatives.

In addition, our executive officers, directors and holders of our common stock and restricted nonvoting common stock prior to consummation of this offering will have agreed that, subject to certain exceptions, for the period specified below, they will not, without the prior written consent of the representatives, (1) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any lock-up securities, enter into a transaction which 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 any lock-up securities, whether any such aforementioned transaction is to be settled by delivery of any lock-up securities or such 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 or (2) make any demand for or exercise any right with respect to, the registration of any lock-up securities.

The initial period during which the restrictions described in the preceding two paragraphs will apply will commence on the date of this prospectus and continue for 180 days after the date of this prospectus or such earlier date that the representatives consent to in writing. However, if (1) we are not an “emerging growth company” and (2) either (a) during the last 17 days of the initial lock-up period, we release earnings results or material news or a material event relating to us occurs or (b) prior to the expiration of the initial lock-up period, we announce that we will release earnings results during the 16-day period beginning on the last day of the initial lock-up period, then, in each case, the lock-up period will be extended until the expiration of the 18-day period beginning on the date of release of the earnings results or the occurrence of the materials news or material event, as applicable, unless the representatives waive, in writing, such extension.

We and the selling stockholder have agreed to indemnify the underwriters and their control persons against liabilities under the Securities Act, or contribute to payments that the underwriters or their control persons may be required to make in that respect.

We will apply to list the shares of common stock on _____ under the symbol “_____.”

Prior to this offering, there has been no public market for our common stock. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our revenues, earnings and certain other financial and operating information in recent periods and the price-earnings ratios, price-revenue ratios, market prices of securities and certain financial and operating information of companies engaged in activities similar to ours.

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.

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- Syndicate covering transactions involve purchases of 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 or syndicate covering transaction to cover syndicate short positions.

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 our 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 _____ or otherwise and, if commenced, may be discontinued at any time.

A prospectus in electronic format may be made available on websites 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.

Selling Restrictions

No action has been taken in any jurisdiction (except in the United States) that would permit a public offering of our common stock, or the possession, circulation or distribution of this prospectus or any other material relating to us or our common stock, where action for that purpose is required. Accordingly, our common stock may not be offered or sold, directly or indirectly, and neither this prospectus nor any other offering material or advertisements in connection with our common stock may be distributed or published, in any country or jurisdiction except in compliance with any applicable rules and regulations of any that country or jurisdiction.

Australia. This prospectus is not a product disclosure statement, prospectus or other type of disclosure document for the purposes of Corporations Act 2001 (Commonwealth of Australia) (the “Act”) and does not purport to include the information required of a product disclosure statement, prospectus or other disclosure document under Chapter 6D.2 of the Act. No product disclosure statement, prospectus, disclosure document, offering material or advertisement in relation to the offer of our common stock has been or will be lodged with the Australian Securities and Investments Commission or the Australian Securities Exchange.

Accordingly, (1) the offer of our common stock under this prospectus may only be made to persons: (i) to whom it is lawful to offer our common stock without disclosure to investors under Chapter 6D.2 of the Act under one or more exemptions set forth in Section 708 of the Act; and (ii) who are “wholesale clients” as that term is defined in section 761G of the Act; (2) this prospectus may only be made available in Australia to persons as set forth in clause (1) above; and (3) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (1) above, and the offeree agrees not to sell or offer for sale any of our common stock sold to the offeree within twelve months after their issue except as otherwise permitted under the Act.

Canada. Our common stock may not be offered, sold or distributed, directly or indirectly, in any province or territory of Canada other than the provinces of Ontario and Quebec or to or for the benefit of any resident of any

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province or territory of Canada other than the provinces of Ontario and Quebec, and only on a basis that is pursuant to an exemption from the requirement to file a prospectus in such province, and only through a dealer duly registered under the applicable securities laws of such province or in accordance with an exemption from the applicable registered dealer requirements.

Cayman Islands. This prospectus does not constitute a public offer of our common stock, whether by way of sale or subscription, in the Cayman Islands. No offer or sale, directly or indirectly, of any common stock will be made to any member of the public in the Cayman Islands.

European Economic Area. In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive, or a Relevant Member State, from and including the date on which the Prospectus Directive is implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of common stock to the public may not be made in that Relevant Member State prior to the publication of a prospectus in relation to our common stock that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and the competent authority in that Relevant Member State has been notified, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of our common stock to the public in that Relevant Member State at any time,

(a) to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or

(d) in any other circumstances that do not require the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive;

provided that no such offer of common stock shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of the above provision, the expression “an offer of common stock to the public” in relation to any common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and our common stock to be offered so as to enable an investor to decide to purchase or subscribe for our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Hong Kong. Our common stock may not be offered or sold by means of this document or any other document other than (i) in circumstances that do not constitute an offer or invitation to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong) or the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances that do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to our common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), that is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to common stock that is

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or is intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Israel. In the State of Israel, our common stock offered hereby may not be offered to any person or entity other than the following:

(a) a fund for joint investments in trust (*i.e.*, mutual fund), as such term is defined in the Law for Joint Investments in Trust, 5754-1994, or a management company of such a fund;

(b) a provident fund as defined in Section 47(a)(2) of the Income Tax Ordinance of the State of Israel, or a management company of such a fund;

(c) an insurer, as defined in the Law for Oversight of Insurance Transactions, 5741-1981, a banking entity or satellite entity, as such terms are defined in the Banking Law (Licensing), 5741-1981, other than a joint services company, acting for their own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;

(d) a company that is licensed as a portfolio manager, as such term is defined in Section 8(b) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;

(e) a company that is licensed as an investment advisor, as such term is defined in Section 7(c) of the Law for the Regulation of Investment Advisors and Portfolio Managers, 5755-1995, acting on its own account;

(f) a company that is a member of the Tel Aviv Stock Exchange, acting on its own account or for the account of investors of the type listed in Section 15A(b) of the Securities Law 1968;

(g) an underwriter fulfilling the conditions of Section 56(c) of the Securities Law, 5728-1968;

(h) a venture capital fund (defined as an entity primarily involved in investments in companies that, at the time of investment, (i) are primarily engaged in research and development or manufacture of new technological products or processes and (ii) involve above-average risk);

(i) an entity primarily engaged in capital markets activities in which all of the equity owners meet one or more of the above criteria; and

(j) an entity, other than an entity formed for the purpose of purchasing our common stock in this offering, in which the shareholders' equity (including pursuant to foreign accounting rules, international accounting regulations and U.S. generally accepted accounting rules, as defined in the Securities Law Regulations (Preparation of Annual Financial Statements), 1993) is in excess of NIS 250 million.

Japan. The underwriters will not offer or sell any of our common stock directly or indirectly in Japan or to, or for the benefit of, any Japanese person or to others, for re-offering or re-sale directly or indirectly in Japan or to any Japanese person, except, in each case, pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws and regulations of Japan. For purposes of this paragraph, “Japanese person” means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

People's Republic of China. This prospectus may not be circulated or distributed in the People's Republic of China, or PRC, and our common stock may not be offered or sold, and this prospectus will not offer for sale any common stock to any person for re-offering or resale directly or indirectly to any resident of the PRC, except pursuant to applicable laws and regulations of the PRC. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

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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 our common stock may not be circulated or distributed, nor may our common stock 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 the SFA; (ii) to a relevant person, 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 our common stock is subscribed or purchased under Section 275 by a relevant person that is:

(a) a corporation (that is not an accredited investor) 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 is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired our common stock under Section 275 except:

(1) to an institutional investor (for corporations, under 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than \$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law.

Taiwan. Our common stock has not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell our common stock in Taiwan.

Switzerland. Our common stock will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This prospectus 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 prospectus nor any other offering or marketing material relating to our company or our common stock has been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of our common stock will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of our common stock has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (the "CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of our common stock.

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United Arab Emirates and Dubai International Financial Centre. This offering of our common stock has not been approved or licensed by the Central Bank of the United Arab Emirates (the “UAE”), the Emirates Securities and Commodities Authority or any other relevant licensing authority in the UAE, including any licensing authority incorporated under the laws and regulations of any of the free zones established and operating in the territory of the UAE, in particular the Dubai Financial Services Authority (the “DFSA”), a regulatory authority of the Dubai International Financial Centre (the “DIFC”). This offering does not constitute a public offer of securities in the UAE, DIFC and/or any other free zone in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended), DFSA Offered Securities Rules and the Dubai International Financial Exchange Listing Rules, respectively, or otherwise.

Our common stock may not be offered to the public in the UAE and/or any of the free zones. Our common stock may be offered, and this prospectus may be issued, only to a limited number of investors in the UAE or any of its free zones who qualify as sophisticated investors under the relevant laws and regulations of the UAE or the free zone concerned. Our common stock will not be offered, sold, transferred or delivered to the public in the UAE or any of its free zones.

United Kingdom. An offer of our common stock may not be made to the public in the United Kingdom within the meaning of Section 102B of the Financial Services and Markets Act 2000, as amended, or the FSMA, except to legal entities that are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities or otherwise in circumstances that do not require the publication by the company of a prospectus pursuant to the Prospectus Rules of the Financial Services Authority, or the FSA.

An invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) may only be communicated to persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or in circumstances in which Section 21 of FSMA does not apply to us.

All applicable provisions of the FSMA with respect to anything done by the underwriters in relation to our common stock in, from or otherwise involving the United Kingdom must be complied with.

Russia. The common stock to which this prospectus relates will not be offered, advertised, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in Russia or to any person located within the territory of Russia who is not a qualified investor in accordance with Russian law unless and to the extent otherwise permitted under Russian law.

This prospectus should not be considered as a public offer or advertisement of the common stock to which this prospectus relates in Russia and is not an offer, or an invitation to make offers, to purchase any such common stock in Russia. Neither the common stock nor any prospectus or other document relating to the common stock has been registered with the Central Bank of the Russian Federation and is not intended for “placement” or “public circulation” in Russia.

LEGAL MATTERS

The validity of the common stock offered by this prospectus will be passed upon for us by O'Melveny & Myers LLP. Certain legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, Los Angeles, California.

EXPERTS

The consolidated financial statements and schedule of Sportsman's Warehouse Holdings, Inc. as of February 2, 2013 and January 28, 2012, and for each of the fiscal years in the two-year period ended February 2, 2013, have been included herein and in the registration statement in reliance upon the report of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm 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 the SEC with respect to the shares of our common stock to be sold in this offering. This prospectus, which constitutes part of the registration statement, does not include all of the information contained in the registration statement and the exhibits and schedules thereto. You should refer to the registration statement and its exhibits and schedules for additional information. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document. When we complete this offering, we will also be required to file annual, quarterly and current reports, proxy or information statements and other information with the SEC.

You can read our SEC filings, including the registration statement and the exhibits and schedules thereto, at the SEC's website at www.sec.gov. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street, N.E., Washington, DC 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

Upon effectiveness of the registration statement, we will become subject to the informational requirements of the Exchange Act and will be required to file reports and other information with the SEC. You will be able to inspect and copy these reports and other information at the public reference facilities maintained by the SEC at the address noted above. You also will be able to obtain copies of this material from the Public Reference Room as described above, or inspect them without charge at the SEC's website. We intend to furnish our stockholders with annual reports containing consolidated financial statements audited by our independent registered public accounting firm. We maintain a website at www.sportsmanswarehouse.com. **Our website and the information contained therein or connected thereto shall not be deemed to be incorporated into this prospectus or the registration statement of which this prospectus forms a part, and you should not rely on any such information in making your decision whether to purchase our securities.**

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SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Sportsman's Warehouse Holdings, Inc.:

We have audited the accompanying consolidated balance sheets of Sportsman's Warehouse Holdings, Inc. and subsidiaries as of February 2, 2013 and January 28, 2012, and the related consolidated statements of income, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended February 2, 2013. In connection with our audits of the consolidated financial statements, we also have audited the financial statement schedule. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sportsman's Warehouse Holdings, Inc. and subsidiaries as of February 2, 2013 and January 28, 2012, and the results of their operations and their cash flows for each of the years in the two-year period ended February 2, 2013, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ KPMG LLP

Salt Lake City, Utah
December 10, 2013

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

Amounts in thousands, except share and per share data

	February 2, 2013	January 28, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 36,515	\$ 243
Accounts receivable, net	347	400
Merchandise inventories	98,970	105,918
Prepaid expenses and other	6,157	3,671
Deferred income taxes	1,522	1,677
Income taxes receivable	—	2
Total current assets	143,511	111,911
Property and equipment, net	11,339	33,049
Deferred income taxes	8,927	10,064
Other long-term assets, net	2,786	2
Total assets	<u>\$ 166,563</u>	<u>\$ 155,026</u>
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 26,331	\$ 18,985
Accrued expenses	22,968	23,065
Income taxes payable	9,183	276
Current portion of long-term debt, net of discount	3,548	38,333
Current portion of deferred rent	2,625	413
Total current liabilities	64,655	81,072
Long-term liabilities:		
Long-term debt, net of discount and current portion	121,260	21,152
Deferred rent, net of current portion	22,492	2,470
Total long-term liabilities	143,752	23,622
Total liabilities	208,407	104,694
Commitments and contingencies (Note 10)		
Stockholders' equity (deficit):		
Common stock, \$0.01 par value; 9,600,000 shares authorized; 9,500,000 shares issued and outstanding	1	1
Restricted nonvoting common stock, \$0.01 par value; 2,400,000 shares authorized; 2,078,103 shares issued and outstanding	21	21
Additional paid-in capital	—	9,214
(Accumulated deficit) retained earnings	(41,866)	41,096
Total stockholders' (deficit) equity	(41,844)	50,332
Total liabilities and stockholders' equity (deficit)	<u>\$ 166,563</u>	<u>\$ 155,026</u>

The accompanying notes are an integral part of these consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Amounts in thousands, except per share data

	For the Fiscal Year Ended	
	February 2, 2013	January 28, 2012
Net sales	\$ 526,942	\$ 376,551
Cost of goods sold	364,326	259,354
Gross profit	<u>162,616</u>	<u>117,197</u>
Selling, general, and administrative expenses	109,408	89,659
Bankruptcy related expenses (benefit) (Note 1)	(263)	919
Income from operations	<u>53,471</u>	<u>26,619</u>
Interest expense	(6,321)	(4,392)
Income before income taxes	<u>47,150</u>	<u>22,227</u>
Income tax expense (benefit)	19,076	(11,467)
Net income	<u>\$ 28,074</u>	<u>\$ 33,694</u>
Earnings per share:		
Basic	\$ 2.42	\$ 3.01
Diluted	\$ 2.42	\$ 3.01
Weighted average shares outstanding:		
Basic	<u>11,578</u>	<u>11,198</u>
Diluted	<u>11,578</u>	<u>11,198</u>

The accompanying notes are an integral part of these consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
Amounts in thousands, except share data

	<u>Common stock</u>		<u>Restricted nonvoting common stock</u>		<u>Additional paid-in capital</u>	<u>Retained earnings (accumulated deficit)</u>	<u>Total stockholders' equity (deficit)</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>			
Balance at January 29, 2011	9,500,000	\$ 1	884,688	\$ 9	\$ 8,999	\$ 7,402	\$ 16,411
Issuance of restricted nonvoting common stock	—	—	1,193,415	12	215	—	227
Net income	—	—	—	—	—	33,694	33,694
Balance at January 28, 2012	9,500,000	1	2,078,103	21	9,214	41,096	50,332
Dividends	—	—	—	—	(9,214)	(111,036)	(120,250)
Net income	—	—	—	—	—	28,074	28,074
Balance at February 2, 2013	<u>9,500,000</u>	<u>\$ 1</u>	<u>2,078,103</u>	<u>\$ 21</u>	<u>\$ —</u>	<u>\$ (41,866)</u>	<u>\$ (41,844)</u>

The accompanying notes are an integral part of these consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Amounts in thousands

	For the Fiscal Year Ended	
	February 2, 2013	January 28, 2012
Cash flows from operating activities:		
Net income	\$ 28,074	\$ 33,694
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,431	3,108
Amortization of discount on debt	1,338	555
Amortization of deferred financing fees	472	153
Net increase in deferred rent credit	2,170	790
Deferred income taxes	1,292	(11,741)
Change in operating assets and liabilities:		
Accounts receivable	53	(32)
Merchandise inventories	6,948	(18,109)
Prepaid expenses and other	(2,754)	(219)
Accounts payable	7,346	5,632
Accrued expenses	3,841	856
Income taxes receivable and payable	8,910	341
Other long term assets, net	778	27
Net cash provided by operating activities	<u>61,899</u>	<u>15,055</u>
Cash flows from investing activities:		
Purchase of property and equipment	(6,856)	(6,651)
Proceeds from sale of fixed assets	45,199	10
Net cash provided by (used in) investing activities	<u>38,343</u>	<u>(6,641)</u>
Cash flows from financing activities:		
Net borrowings on line of credit	(26,426)	4,396
Proceeds from term loan, net of discount	122,250	—
(Decrease) increase in book overdraft	(3,940)	973
Payment of deferred financing costs	(3,766)	(283)
Proceeds from sale of restricted common stock	—	227
Dividends paid	(120,250)	—
Principal payments on subordinated debt	(5,107)	(5,893)
Principal payments on unsecured note payable	(7,434)	(7,310)
Principal payments on long-term debt	(19,297)	(1,839)
Net cash used in financing activities	<u>(63,970)</u>	<u>(9,729)</u>
Net change in cash and cash equivalents	36,272	(1,315)
Cash and cash equivalents at beginning of year	243	1,558
Cash and cash equivalents at end of year	<u>\$ 36,515</u>	<u>\$ 243</u>
Supplemental disclosure of cash flow information:		
Net cash paid during the year for:		
Interest	<u>\$ 3,993</u>	<u>\$ 4,960</u>
Income taxes	<u>8,878</u>	<u>43</u>

The accompanying notes are an integral part of these consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements
Amounts reported in thousands, except share data

(1) Nature of the Business

Description of Business

Sportsman's Warehouse Holdings, Inc. ("Holdings") and subsidiaries (collectively, the "Company") operate retail sporting goods stores. As of February 2, 2013, the Company operated 33 stores in 17 states.

Voluntary Reorganization under Chapter 11

On March 21, 2009, the Company and all of its subsidiaries filed a voluntary bankruptcy petition for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On July 30, 2009, the Bankruptcy Court entered an order approving and confirming the Plan of Reorganization (the "Reorganization Plan").

Bankruptcy-Related Expenses

The adoption of fresh start reporting upon emergence from bankruptcy required the Company to allocate the reorganization value to its assets and liabilities in a manner similar to that which is required under Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") Topic 805, Business Combinations, including estimated costs required to restructure and emerge from Chapter 11 bankruptcy. The Company incurred certain costs related to restructuring and emergence from Chapter 11 bankruptcy and included a liability as part of the reorganization value at August 14, 2009, the date of emergence from bankruptcy. Amounts greater than the estimated restructuring costs are expensed as incurred and included as a separate component of the consolidated statements of income to arrive at income from operations.

(2) Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and include the accounts of its four wholly owned subsidiaries, Sportsman's Warehouse, Inc. ("Sportsman's Warehouse"), Pacific Flyway Wholesale, LLC ("Pacific Flyway"), Sportsman's Warehouse Southwest, Inc., and Minnesota Merchandising Corporation. All intercompany transactions and accounts have been eliminated in consolidation.

Fiscal Year

The Company operates using a 52/53 week fiscal year ending on the Saturday closest to January 31. Fiscal years 2012 and 2011 ended on February 2, 2013 and January 28, 2012, respectively. Fiscal year 2012 contains 53 weeks of operations and fiscal year 2011 contains 52 weeks of operations.

Seasonality

The Company's business is generally seasonal, with a somewhat higher portion of total sales occurring during the third and fourth quarters of the calendar year.

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Use of Estimates in the Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Segment Reporting

The Company operates solely as a sporting goods retailer whose Chief Operating Decision Maker (“CODM”) is the Chief Executive Officer. The CODM reviews financial information presented on a consolidated and individual store and cost center basis, for purposes of allocating resources and evaluating financial performance. The Company’s stores typically have similar square footage and offer essentially the same general product mix. The Company’s core customer demographic remains similar chainwide, as does the Company’s process for the procurement and marketing of its product mix. Furthermore, the Company distributes its product mix chainwide from a single distribution center. Given that the stores have the same economic characteristics, the individual stores are aggregated into one single operating and reportable segment.

Cash and Cash Equivalents

The Company considers cash on hand in stores and highly liquid investments with an initial maturity of three months or less as cash and cash equivalents. Checks issued pending bank clearance that result in overdraft balances for accounting purposes are classified as accrued expenses in the accompanying consolidated balance sheets.

In accordance with the terms of a financing agreement (Note 5), the Company maintains depository accounts with two banks in a lock-box arrangement. Deposits into these accounts are used to reduce the outstanding balance on the line of credit as soon as the respective bank allows the funds to be transferred to the financing company. At January 28, 2012, the combined balance in these accounts was \$3,450. Accordingly, this amount has been classified as a reduction in the line of credit as if the transfers had occurred on January 28, 2012.

Accounts Receivable

The Company offers credit terms on the sale of products to certain government and corporate retail customers and requires no collateral from these customers. The Company performs ongoing credit evaluations of its customers’ financial condition and maintains an allowance for doubtful accounts receivable based upon historical experience and a specific review of accounts receivable at the end of each period. Actual bad debts may differ from these estimates and the difference could be significant. At February 2, 2013 and January 28, 2012, the allowance for doubtful accounts receivable totaled \$103 and \$88, respectively.

Merchandise Inventories

Merchandise inventories are stated at the lower of cost or market. Cost is determined using the weighted average cost method. The Company estimates a provision for inventory shrinkage based on its historical inventory accuracy rates as determined by periodic cycle counts. The allowance for damaged goods from returns is based upon historical experience. The Company also adjusts inventory for obsolete or slow moving inventory based on inventory productivity reports and by specific identification of slow moving or obsolete inventory. The inventory reserves for shrinkage, damaged, or obsolescence totaled \$2,565 and \$2,545 at February 2, 2013 and January 28, 2012, respectively.

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Property and Equipment

Property and equipment are recorded at cost. Leasehold improvements primarily include the cost of improvements funded by landlord incentives or allowances. Maintenance, repairs, minor renewals, and betterments are expensed as incurred. Major renewals and betterments are capitalized. Upon retirement or disposal of assets, the cost and accumulated depreciation and amortization are eliminated from the respective accounts and the related gains or losses are credited or charged to earnings.

Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the related assets. The Company's buildings were being depreciated over a useful life of 30 years. Leasehold improvements are amortized over the shorter of the useful lives of the improvements or the term of the lease. Furniture, fixtures, and equipment, are depreciated over useful lives ranging from 3 to 10 years.

Impairment of Long-Lived Assets

The Company reviews its long-lived assets with definite lives for impairment whenever events or changes in circumstances may indicate that the carrying value of an asset may not be recoverable. The Company uses an estimate of the future undiscounted net cash flows of the related asset or group of assets over their remaining useful lives in measuring whether the assets are recoverable. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount exceeds the estimated fair value of the asset. Impairment of long-lived assets is assessed at the lowest levels for which there are identifiable cash flows that are independent of other groups of assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less the estimated costs to sell. No impairment charge to long-lived assets was recorded during the fiscal years ended February 2, 2013 or January 28, 2012.

Prepaid Expenses and Other

Prepaid expenses and other primarily consists of prepaid expenses, vendor rebates receivable, vendor advertising receivables and miscellaneous deposits.

Revenue Recognition

Revenue is recognized for retail sales at the time of the sale in the store. The Company records a reserve for estimated product returns in each reporting period, based on its historical experience. Revenue for gift cards sold is deferred and recognized as the gift cards are redeemed for merchandise. Gift card breakage income is recognized based upon historical redemption patterns and represents the balance of gift cards for which the Company believes the likelihood of redemption by the customer is remote. During the fiscal years ended February 2, 2013 and January 28, 2012, the Company recognized \$17 and \$154 of gift card breakage income, respectively. This income is included in the accompanying consolidated statements of income as a reduction in selling, general, and administrative expenses ("SG&A").

Customer deposits on items placed in layaway are recorded as a liability. Revenue is recognized on layaway transactions at the point where the customer takes possession of the merchandise. These liabilities are recorded as unearned revenue in accrued expenses in the consolidated balance sheets.

Sales taxes collected from customers and remitted to governmental authorities are accounted for on a net basis and, therefore, are excluded from revenues in the consolidated statements of income.

Cost of Goods Sold

Cost of goods sold primarily consists of merchandise acquisition costs, including freight-in costs, shipping costs, terms discounts received from the vendor and vendor allowances and rebates associated directly with

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merchandise. Vendor allowances include allowances and rebates received from vendors. The Company records an estimate of earned allowances based on purchase volumes. These funds are determined for each fiscal year, and the majority is based on various quantitative contract terms. Amounts expected to be received from vendors relating to purchase of merchandise inventories are recognized as a reduction of cost of goods sold as the merchandise is sold. Historical program results and current purchase volumes are reviewed when establishing the estimate for earned allowances.

Shipping and Handling Fees and Costs

All shipping and handling fees billed to customers are recorded as a component of net sales. All costs incurred related to the shipping and handling of products are recorded in cost of sales.

Vendor Allowances

Vendor allowances include price allowances, volume rebates, store opening costs reimbursements, marketing participation and advertising reimbursements received from vendors under the terms of specific arrangements with certain vendors. Vendor allowances related to merchandise are recognized as a reduction of the costs of merchandise as sold. Vendor reimbursements of costs are recorded as a reduction to expense in the period the related cost is incurred based on actual costs incurred. Any cost reimbursements exceeding expenses incurred are recognized as a reduction of the cost of merchandise sold. Volume allowances may be estimated based on historical purchases and estimates of projected purchases.

Tenant Allowances

The Company may receive reimbursement from a landlord for some of the costs related to occupancy or tenant improvements per lease provisions. These reimbursements may be referred to as tenant allowances or landlord reimbursements ("tenant allowances"). Reimbursement from a landlord for occupancy or tenant improvements is included within deferred rent on the accompanying consolidated balance sheets. The deferred rent credit is amortized as rent expense on a straight-line basis over the term of the lease. Landlord reimbursements from these transactions are included in cash flows from operating activities as a change in deferred rent.

Health Insurance

The Company maintains for its employees a partially self-funded health insurance plan. The Company maintains stop-loss insurance through an insurance company with a \$100 per person deductible and aggregate claims limit above a predetermined threshold. The Company is under contract with this insurance company through December 2014. The Company intends to maintain this plan indefinitely. However, the plan may be terminated, modified, suspended, or discontinued at any time for any reason specified by the Company.

The Company has established reserve amounts based upon claims history and estimates of claims that have been incurred but not reported ("IBNR"). As of February 2, 2013 and January 28, 2012, the Company estimated the IBNR to be \$416 and \$439, respectively. Actual claims may differ from the estimate and such difference could be significant. These reserves are included in accrued expenses in the accompanying consolidated balance sheets.

Operating Leases and Deferred Rent

The Company has various operating lease commitments on its store locations. Certain leases contain rent escalation clauses that require higher rental payments in later years. Leases may also contain rent holidays, or free rents, during the lease term. Rent expense is recognized on a straight-line basis over the lease term. Rent expense in excess of rental payments is recorded as deferred rent on the accompanying consolidated balance sheets.

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Advertising

Costs for newspaper, television, radio, and other advertising are expensed in the period in which the advertising occurs. The Company participates in various advertising and marketing cooperative programs with its vendors, who, under these programs, reimburse the Company for certain costs incurred. Payments received under these cooperative programs are recorded as a decrease to expense in the period that the advertising occurred. For the fiscal years ended February 2, 2013 and January 28, 2012, net advertising expenses totaled \$3,773 and \$2,837, respectively. These amounts are included in selling, general and administrative expenses in the accompanying consolidated statements of income.

Income Taxes

The Company recognizes a deferred income tax liability or deferred income tax asset for the future tax consequences attributable to differences between the financial statement basis of existing assets and liabilities and their respective tax basis. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided against deferred income tax assets when it is more likely than not that all or some portion of the deferred income tax assets will not be realized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the relevant tax authorities, based on the technical merits of the position. Interest and potential penalties are accrued related to unrecognized tax benefits in the provision for income taxes.

Fair Value of Financial Instruments

The carrying amounts of financial instruments except for short-term and long-term debt approximate fair value because of the general short-term nature of these instruments. The carrying amounts of short-term debt and long-term variable rate debt approximate fair value as the terms are consistent with market terms for similar debt instruments. The Company estimates the fair value of its fixed rate debt generally using discounted cash flow analysis based on the Company's current borrowing rates for debt with similar maturities. The carrying amount of the Company's financial instruments approximates fair value as of February 2, 2013 and January 28, 2012.

Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted-average shares of common stock outstanding, reduced by shares repurchased and held in treasury, during the period. Diluted earnings per share represents basic earnings per share adjusted to include the potentially dilutive effect of outstanding share option awards, nonvested share awards and nonvested share unit awards.

Comprehensive Income

The Company has no components of income that would require classification as other comprehensive income for the fiscal years ended February 2, 2013 or January 28, 2012.

Recently Adopted and Issued Accounting Pronouncements

In May 2011, the FASB issued ASU No. 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*, to improve comparability of fair value measurements between statements presented in U.S. GAAP and IFRS. This ASU, which was effective for the first quarter of 2012 for the Company, provided additional explanation on how to measure fair value but did not require additional fair value measurements. Certain amendments in this ASU require the assessment of additional disclosures regarding the measurement of fair value. The adoption of this ASU did not have a significant impact on the Company's fair value measurements.

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(3) Property and Equipment

Property and equipment as of February 2, 2013 and January 28, 2012 are as follows:

	February 2, 2013	January 28, 2012
Furniture, fixtures and equipment	\$ 12,695	\$ 9,641
Leasehold improvements	5,723	3,297
Construction in progress	1,333	1,967
Buildings	—	15,176
Land and land improvements	—	9,959
	<u>19,751</u>	<u>40,040</u>
Less accumulated depreciation and amortization	<u>(8,412)</u>	<u>(6,991)</u>
	<u>\$ 11,339</u>	<u>\$ 33,049</u>

In fiscal 2012, the Company sold its buildings and land in a sale leaseback transaction (Note 6).

(4) Accrued Expenses

Accrued expenses consist of the following at February 2, 2013 and January 28, 2012:

	February 2, 2013	January 28, 2012
Unearned revenue	\$ 6,561	\$ 5,338
Accrued payroll and related expenses	6,417	6,101
Sales and use tax payable	3,461	2,735
Accrued real estate and personal property taxes	1,356	1,094
Accrued unclaimed property	1,094	1,092
Accrued licenses	960	846
Accrued interest	704	221
Book overdraft	—	3,940
Other	2,415	1,698
	<u>\$ 22,968</u>	<u>\$ 23,065</u>

(5) Long-Term Debt

Long-term debt consisted of the following as of February 2, 2013 and January 28, 2012:

	February 2, 2013	January 28, 2012
Term loan	\$ 124,688	\$ —
Note payable to unsecured creditors	2,756	10,190
Revolving line of credit	—	26,426
Bank mortgages	—	18,985
Subordinated note payable	—	5,107
	<u>127,444</u>	<u>60,708</u>
Less discount	<u>(2,636)</u>	<u>(1,223)</u>
	124,808	59,485
Less current portion	<u>(3,548)</u>	<u>(38,333)</u>
Long-term portion	<u>\$ 121,260</u>	<u>\$ 21,152</u>

(a) Term Loan

On November 13, 2012 (“Closing Date”), the Company and a syndicate of financial institutions entered into a six-year \$125,000 term loan (“Term Loan”). The Company’s obligations under the Term Loan are secured by all or substantially all of the Company’s assets.

The Term Loan was issued at a discount of \$2,750, which is classified as a reduction of the unpaid balance on the consolidated balance sheets. The discount is being amortized over the term of the note using the effective interest method and is included as a component of interest expense on the consolidated statements of income.

The Term Loan requires quarterly payments of \$313 payable on the last business day of each fiscal quarter commencing on February 1, 2013, and continuing up to and including November 3, 2018. A final installment payment consisting of the remaining unpaid balance is due on November 13, 2018. Commencing with the first full fiscal year commencing after the Closing Date, the Company is required to make a mandatory additional principal payment based on excess cash flows, as defined in the Term Loan agreement.

The outstanding principal balance of the Term Loan bears interest (computed on the basis of a 360-day year, actual days elapsed) at a rate per annum determined to be the sum of the (1) LIBOR margin (with the LIBOR margin being set at 7.50%, with a LIBOR floor of 1.50%) and (2) LIBOR in effect on the last business day of each fiscal quarter.

As of February 2, 2013, the Term Loan had \$122,052 outstanding, net of unamortized discount of \$2,636. During the fiscal year ended February 2, 2013, the Company recognized \$114 of non-cash interest expense with respect to the amortization of this discount.

As part of the Term Loan credit agreement, there are a number of financial and non-financial debt covenants. The financial covenants include a net leverage ratio and an interest coverage ratio to be measured on a trailing twelve month basis.

(b) Note Payable to Unsecured Creditors

In connection with the Reorganization Plan, the Company assumed a \$17,500 note payable to the unsecured creditors of the predecessor company. This note bears interest at 5 percent. Principal and interest payments are to be made semi-annually from the excess cash flows, as defined in the Reorganization Plan, of the Company’s first four full fiscal years with the first payment paid on May 31, 2011. Two principal payments of \$2,488 and \$6,656 were made as scheduled on May 31, 2011 and May 18, 2012, respectively, with an additional unscheduled \$5,600 principal payment made on January 6, 2012. Based on projected excess cash flows, the amount payable during the fiscal year 2013 is \$2,756, net of current discount, which represents the remaining outstanding balance at February 2, 2013.

As of February 2, 2013 and January 28, 2012, this note had \$2,756 and \$9,189 outstanding, respectively, net of unamortized discount. As of January 28, 2012, this note had an unamortized discount of \$1,001. During the fiscal years ended February 2, 2013 and January 28, 2012, the Company recognized \$1,001 and \$456, respectively, of non-cash interest expense with respect to the amortization of this discount.

(c) Revolving Line of Credit

Effective May 28, 2010, the Company entered into a financing agreement (the “Agreement”) with a bank that provided for borrowings in the aggregate amount of \$75,000. Effective October 27, 2011, this Agreement was amended to increase the provided borrowings to the aggregate amount of \$95,000. Effective November 13, 2012, this Agreement was amended to decrease the provided borrowings to the aggregate amount of \$60,000. All borrowings under this Agreement are subject to a borrowing base calculation. Loans, advances, and other extensions of credit made in connection with the Agreement are secured by substantially all of the assets of the Company. The Agreement matures November 13, 2017. Under the terms of the Agreement, the Company may

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borrow on a revolving basis amounts equal to 90 percent of the net retail liquidation value of the Company's eligible merchandise inventory (as defined in the Agreement) and 90 percent of eligible accounts receivable (as defined in the Agreement), less certain reserves against outstanding gift cards, layaway deposits, and amounts outstanding under commercial letters of credit (as defined in the Agreement).

Interest on the Agreement is payable monthly at a bank's prime interest rate (3.25 percent at February 2, 2013) plus an applicable margin, as defined in the agreement (1.00 percent at February 2, 2013) or, at the Company's election, at the London Interbank Offered Rate ("LIBOR") (0.20 percent February 2, 2013) plus a margin range of 1.75 to 2.25 percent, depending on average daily availability (1.75 percent at February 2, 2013). The Agreement provides for an unused line of credit fee equal to thirty-seven and one-half basis points of one percent (0.375 percent) per annum on the average daily unused amount. The Agreement also calls for the Company to reimburse certain other costs incurred by the lender in its management of the Agreement. The Agreement contains certain covenants, including a financial covenant that requires the Company to maintain a minimum availability at all times of not less than ten percent of the gross borrowing base but not less than \$5,000.

The Agreement contains provisions that enable the bank to require the Company to maintain a lock-box for the collection of all receipts. Additionally, the Agreement contains certain subjective acceleration clauses that could result in the agreement being terminated for subjective reasons prior to its maturity date. As a result of the lock-box and subjective acceleration clauses, the Company has classified amounts outstanding under its line of credit as a current liability.

As of February 2, 2013 and January 28, 2012, the Company had \$0 and \$29,876, respectively, in outstanding revolving loans under the Agreement. Amounts outstanding are offset on the consolidated balance sheets by amounts in depository accounts under lock-box arrangements, which were \$0 and \$3,450 as of February 2, 2013 and January 28, 2012, respectively. As of February 2, 2013, the Company had \$54,000 of net borrowing availability under the terms of the Agreement and did not have any outstanding balance or stand-by commercial letters of credit. At January 28, 2012, the Company had \$26,426 outstanding on the line of credit and no outstanding commercial letters of credit.

(d) Bank Mortgages

The Company entered into various financing agreements to purchase land and to construct certain of its retail stores. These agreements contained various rates of interest, both fixed and variable, at original terms ranging from 10 to 20 years. All of the mortgages were secured by the land and buildings to which they pertain. As of February 2, 2013, all bank mortgage notes have been satisfied and paid in full through the proceeds from a sale leaseback transaction (See note 6).

(e) Subordinated Note Payable

As part of the Reorganization Plan, the Company received \$12,000 in cash in exchange for a note payable. This note bore interest at 5 percent annually and was secured by a second position in the inventory of the Company behind the line of credit financing. All amounts due under this note payable were repaid during fiscal year 2012.

As of January 28, 2012, this note had \$4,885 outstanding, net of unamortized discount of \$222. During the fiscal years ended February 2, 2013 and January 28, 2012, the Company recognized \$222 and \$99, respectively, of non-cash interest expense with respect to the amortization of this discount.

(6) Sale Leaseback

During the fiscal year ended February 2, 2013, the Company completed a sale-leaseback of the land and buildings for six store locations for gross cash proceeds of \$45,199, exclusive of transaction costs of approximately \$565. The carrying value of the property sold was \$23,274. The lease has been classified as an operating lease and has an initial term of 15 years, with three five-year renewal options. Proceeds from the sale-leaseback transaction were used to pay all of the mortgage loan obligations.

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The Company realized a gain on this transaction of \$21,360, which has been deferred and is being recognized on a straight-line basis over the initial term of the lease. The current and long-term portions of the deferred gain are included in current portion of deferred rent and deferred rent, net of current portion, respectively, in the consolidated balance sheet as of February 2, 2013. Amortization of the deferred gain of \$461 is reflected as a reduction to rent expense and is included within selling, general, and administrative expenses in the consolidated statement of income for the year ended February 2, 2013.

(7) Stockholders' Equity (Deficit)

(a) Common Stock

Holders of common stock are entitled to one vote per share, and to receive dividends and, upon liquidation or dissolution, are entitled to receive all assets available for distribution to stockholders on a proportional basis with the restricted non-voting common shareholders. The holders have no preemptive or other subscription rights, and there are no redemption or sinking fund provisions with respect to such shares.

(b) Restricted Non-Voting Common Stock

Holders of shares of restricted nonvoting common stock have no voting rights of any kind and are not entitled to receive any dividends and/or distributions declared on the shares of common stock. However, in regards to dividends, during 2012, the Company paid dividends to holders of shares of restricted nonvoting common stock consistently with dividends paid to the holders of common stock. Shares of restricted non-voting common stock are subject to substantial restrictions on the transfer under the plan and our certificate of incorporation, and are subject to certain repurchase rights held by us in connection with certain events, including a termination of the stockholder's employment. Upon liquidation or dissolution, holders are entitled to receive all assets available for distribution to stockholders on a proportional basis with the common shareholders.

During the fiscal year ended February 2, 2013, the Company declared and paid a dividend to all shareholders of \$120,250. The dividend reduced retained earnings and additional paid in capital, resulting in a net deficit in stockholders' equity.

During the fiscal year ended January 28, 2012, the Company sold 1,193,415 shares of restricted non-voting common stock for \$227 to executives and key employees of the Company.

(8) Income Taxes

For the fiscal years ended February 2, 2013 and January 28, 2012, the income tax provision consisted of the following:

	<u>February 2, 2013</u>	<u>January 28, 2012</u>
Current:		
Federal	\$ 14,337	\$ —
State	3,447	273
	<u>17,784</u>	<u>273</u>
Deferred:		
Federal	1,549	7,750
State	(257)	1,318
Change in valuation allowance	—	(20,808)
	<u>1,292</u>	<u>(11,740)</u>
	<u>\$ 19,076</u>	<u>\$ (11,467)</u>

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The provision for income taxes differs from the amounts computed by applying the federal statutory rate as follows for the following periods:

	<u>February 2, 2013</u>	<u>January 28, 2012</u>
Federal statutory rate	35.0%	34.0%
State tax, net of federal benefit	4.2%	(10.6%)
Permanent items	2.3%	3.3%
Valuation allowance	0.0%	(75.8%)
Other items	(1.0%)	(2.5%)
Effective income tax rate	<u>40.5%</u>	<u>(51.6%)</u>

As of February 2, 2013 and January 28, 2012, the components of the current deferred tax asset and long-term deferred tax asset are as follows:

	<u>February 2, 2013</u>	<u>January 28, 2012</u>
Current deferred income taxes:		
Inventories	\$ 1,170	\$ 1,276
Other	352	401
	<u>\$ 1,522</u>	<u>\$ 1,677</u>
Long-term deferred income taxes:		
Net operating loss	\$ 92	\$ 6,793
Depreciation	(966)	2,602
Deferred rent	9,909	777
Other	(108)	(108)
	<u>\$ 8,927</u>	<u>\$ 10,064</u>

Deferred tax assets have resulted primarily from the Company's future deductible temporary differences and net operating loss carryforwards. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax asset will not be realized. The Company's ability to realize its deferred tax assets depends upon the generation of sufficient future taxable income to allow for the utilization of its net operating loss carryforwards and deductible temporary differences.

Management evaluates the realizability of the deferred tax assets and the need for additional valuation allowances annually. At February 2, 2013, 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. At January 28, 2012, based on facts and circumstances, the Company reversed the valuation allowance against its deferred tax assets.

As of February 2, 2013, the Company had no unrecognized tax benefits. The Company does not anticipate that unrecognized tax benefits will significantly increase or decrease within 12 months of the reporting date. There are no tax returns that are currently under examination. Federal and state tax years that remain subject to examination are periods ended October 31, 2009 through January 28, 2012.

At February 2, 2013 and January 28, 2012, the Company had U.S. federal net operating loss carry-forwards of approximately \$0 and \$17,179 and state net operating loss carry-forwards of approximately \$3,003 and \$26,003, respectively, which may be used to offset future taxable income. The Company's carry-forwards begin to expire in 2026.

The Company's policy is to accrue interest expense, and penalties as appropriate, on estimated unrecognized tax benefits as a charge to interest expense in the consolidated statements of income. No interest or penalties were accrued for 2012 or 2011.

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(9) Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per common share:

	Fiscal Year Ended	
	February 2, 2013	January 28, 2012
	(In thousands, except per share data)	
Net income	\$ 28,074	\$ 33,694
Weighted-average shares of common stock outstanding:		
Basic	11,578	11,198
Dilutive effect of common stock equivalents	—	—
Diluted	11,578	11,198
Basic earnings per share	\$ 2.42	\$ 3.01
Diluted earnings per share	\$ 2.42	\$ 3.01

(10) Commitments and Contingencies

Operating Leases

The Company leases its retail store, office space, and warehouse locations under non-cancelable operating leases. Certain of these leases include tenant allowances that are amortized over the life of the lease. In 2012 and 2011, the Company received tenant allowances of \$200 and \$620, respectively. Based on signed agreements, the Company expects to receive \$200 in tenant allowances under leases during 2013. Certain leases require the Company to pay contingent rental amounts based on a percentage of sales, in addition to real estate taxes, insurance, maintenance and other operating expenses associated with the leased premises. These agreements expire at various dates through November 2022 and generally contain three, five-year renewal options. Rent expense under these leases totaled \$19,237 and \$15,226 for the fiscal years ended February 2, 2013 and January 28, 2012, respectively.

Future minimum lease payments for non-cancelable operating leases by fiscal year, as of February 2, 2013 are as follows:

<u>Fiscal Year:</u>	
2013	\$ 26,657
2014	26,951
2015	26,590
2016	25,553
2017	24,851
Thereafter	118,455
	<u>\$ 249,057</u>

Legal Matters

The Company is involved in various legal matters generally incidental to its business. The Company believes, after discussion with legal counsel, the disposition of these matters will not have a material impact on its consolidated financial condition, liquidity, or results of operations.

(11) Related-Party Transactions

On August 14, 2009, the Company entered into a reimbursement agreement with the majority stockholder of the Company. Under the terms of this agreement, the Company agreed to reimburse the majority stockholder for various out-of-pocket costs and expenses related to the Company up to a maximum of \$150 annually. During the

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fiscal years ended February 2, 2013 and January 28, 2012, the Company made payments of \$21 and \$20, respectively, under this agreement. At February 2, 2013 and January 28, 2012, there were no amounts payable under the terms of this agreement.

(12) Retirement Plan

The Company sponsors a profit sharing plan (the "Plan") for which Company contributions are based upon wages paid. As approved by the Board of Directors, the Company makes discretionary contributions to the Plan at rates determined by management. The Company made contributions of \$174 and \$119 for the fiscal years ended February 2, 2013 and January 28, 2012, respectively.

(13) Subsequent Events

On March 11, 2013, the Company acquired certain assets and assumed certain liabilities, including lease obligations of ten retail locations, of a competitor. The aggregate purchase price for this transaction was \$47,767 and was accounted for as a business combination.

On April 26, 2013, the final principal and interest payments totaling \$2,890 were made under the note to unsecured creditors.

On May 22, 2013, the Company's bankruptcy case was closed after a final decree was entered by the bankruptcy court.

On November 18, 2013 and December 10, 2013, the Company issued an aggregate of 119,750 and 298,490, respectively, restricted stock unit awards to employees of the Company. These awards vest 25% on each of the first, second, third and fourth anniversaries of the grant date provided that the employee remains continuously employed with the Company during that time; provided, however, that if the Company completes an initial public offering of its common stock during the one-year period following the grant date, these awards vest 25% upon the closing of the offering and thereafter on each of the first, second and third anniversaries of the closing of the offering. Total compensation cost expected to be recognized for these awards total \$8,474. In the event that the Company issues an ordinary cash dividend on its common stock, holders of the restricted stock unit awards will receive an additional number of stock units equal to the calculation for common shareholders.

On November 25, 2013, the Company repurchased 100,100 shares of restricted non-voting common stock for \$302. All of these repurchased shares were subsequently retired.

On December 4, 2013, Holdings, previously a Utah corporation, reincorporated in Delaware by consummating a merger with its wholly owned subsidiary SWH Merger Sub, Inc., a Delaware corporation, with the Delaware corporation being the surviving entity and being renamed Sportsman's Warehouse Holdings, Inc.

Schedule II
Valuation and Qualifying Accounts
(Amounts in thousands)

	<u>Beginning of Year Balance</u>	<u>Charged to Costs and Expenses</u>	<u>Deductions</u>	<u>End of Year Balance</u>
Year Ended February 2, 2013				
Inventory Reserve	\$ 2,545	\$ 1,228	\$ (1,208)	\$ 2,565
Reserve for Sales Returns	459	41	—	500
Year Ended January 28, 2012				
Inventory Reserve	\$ 2,074	\$ 1,404	\$ (933)	\$ 2,545
Reserve for Sales Returns	362	97	—	459

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

Amounts in thousands, except share and per share data

	November 2, 2013	February 2, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$ 405	\$ 36,515
Accounts receivable, net	199	347
Merchandise inventories	208,489	98,970
Prepaid expenses and other	4,529	6,157
Deferred income taxes	2,640	1,522
Income taxes receivable	896	—
Total current assets	217,158	143,511
Property and equipment, net	28,055	11,339
Deferred income taxes	8,847	8,927
Definite lived intangibles, net	7,998	—
Other long-term assets, net	2,935	2,786
Total assets	<u>\$ 264,993</u>	<u>\$ 166,563</u>
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	\$ 43,382	\$ 26,331
Accrued expenses	36,175	22,968
Income taxes payable	—	9,183
Current portion of long-term debt, net of discount	59,173	3,548
Current portion of deferred rent	2,374	2,625
Total current liabilities	141,104	64,655
Long-term liabilities:		
Long-term debt, net of discount and current portion	\$ 229,737	\$ 121,260
Deferred rent, net of current portion	22,722	22,492
Total long-term liabilities	252,459	143,752
Total liabilities	<u>\$ 393,563</u>	<u>\$ 208,407</u>
Commitments and contingencies (Note 9)		
Stockholders' deficit:		
Common stock, \$.01 par value; 9,600,000 shares authorized; 9,500,000 shares issued and outstanding	1	1
Restricted nonvoting common stock, \$.01 par value; 2,400,000 shares authorized; 2,078,103 shares issued and outstanding	21	21
Additional paid-in capital	—	—
Accumulated deficit	(128,592)	(41,866)
Total stockholders' deficit	(128,570)	(41,844)
Total liabilities and stockholders' deficit	<u>\$ 264,993</u>	<u>\$ 166,563</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

Amounts in thousands

	13 Weeks Ended		39 Weeks Ended	
	November 2, 2013	October 27, 2012	November 2, 2013	October 27, 2012
Net sales	\$ 175,059	\$ 129,864	\$ 467,435	\$ 337,927
Cost of goods sold	119,836	89,723	317,089	233,776
Gross profit	55,223	40,141	150,346	104,151
Selling, general, and administrative expenses	38,240	27,019	106,641	77,029
Bankruptcy related expenses	—	92	55	385
Income from operations	16,983	13,030	43,650	26,737
Interest expense	(13,302)	(742)	(19,894)	(3,135)
Income before income taxes	3,681	12,288	23,756	23,602
Income tax expense	1,459	4,919	9,417	9,498
Net income	<u>\$ 2,222</u>	<u>\$ 7,369</u>	<u>\$ 14,339</u>	<u>\$ 14,104</u>
Earnings per share:				
Basic	<u>\$ 0.19</u>	<u>\$ 0.64</u>	<u>\$ 1.24</u>	<u>\$ 1.22</u>
Diluted	<u>\$ 0.19</u>	<u>\$ 0.64</u>	<u>\$ 1.24</u>	<u>\$ 1.22</u>
Weighted average shares outstanding:				
Basic	<u>11,578</u>	<u>11,578</u>	<u>11,578</u>	<u>11,578</u>
Diluted	<u>11,578</u>	<u>11,578</u>	<u>11,578</u>	<u>11,578</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

Amounts in thousands

	39 Weeks Ended	
	November 2, 2013	October 27, 2012
Cash flows from operating activities:		
Net income	\$ 14,339	\$ 14,104
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	3,551	2,671
Amortization of discount on debt	2,758	1,069
Amortization of deferred financing fees	3,849	119
Amortization of definite lived intangible asset	1,065	—
Net (decrease) increase in deferred rent credit	(65)	1,607
Gain on asset dispositions	(112)	—
Deferred income taxes	(1,038)	(6,546)
Change in operating assets and liabilities, net of acquisition:		
Accounts receivable	1,266	35
Merchandise inventories	(75,217)	(36,052)
Prepaid expenses and other	1,542	(582)
Accounts payable	17,051	11,254
Accrued expenses	372	3,120
Income taxes receivable and payable	(10,079)	7,920
Other long term assets, net	49	3
Net cash used in operating activities	<u>(40,670)</u>	<u>(1,278)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(15,779)	(5,671)
Proceeds from sale of fixed assets	124	45,199
Purchase of business	(47,767)	—
Net cash (used in) provided by investing activities	<u>(63,422)</u>	<u>39,528</u>
Cash flows from financing activities:		
Net borrowings on line of credit	57,313	12,105
Proceeds from term loan, net of discount	232,062	—
Increase in book overdraft	11,663	5,200
Payment of deferred financing costs	(3,960)	—
Dividends paid	(101,065)	(21,000)
Principal payments on bank mortgages	—	(18,985)
Principal payments on subordinated debt	—	(5,107)
Principal payments on unsecured note payable	(2,756)	(6,656)
Principal payments on long-term debt	(125,275)	—
Net cash provided by (used in) financing activities	<u>67,982</u>	<u>(34,443)</u>
Net change in cash and cash equivalents	(36,110)	3,807
Cash and cash equivalents at beginning of period	36,515	243
Cash and cash equivalents at end of period	<u>\$ 405</u>	<u>\$ 4,050</u>
Supplemental disclosure of cash flow information:		
Net cash paid during the period for:		
Interest	\$ 13,695	\$ 2,089
Income taxes	\$ 17,021	\$ 8,128

The accompanying notes are an integral part of these condensed consolidated financial statements.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Amounts reported in thousands, except share data

(1) Business Summary and Basis of Presentation

Business

Sportsman's Warehouse Holdings, Inc. ("Holdings") and subsidiaries (collectively, the "Company") operate retail sporting goods stores. As of November 2, 2013, the Company operated 47 stores in 18 states. The Company operates its business as one reportable segment.

The condensed consolidated financial statements included herein are unaudited and have been prepared by management of Sportsman's Warehouse Holdings, Inc. and its wholly owned subsidiaries, ("Company," "we," "our," or "us") pursuant to the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP") have been condensed or omitted pursuant to such rules and regulations. The Company's condensed consolidated balance sheet as of February 2, 2013, was derived from the Company's audited consolidated balance sheet as of that date. All other condensed consolidated financial statements contained herein are unaudited and reflect all adjustments which are, in the opinion of management, necessary to summarize fairly our condensed consolidated financial statements for the periods presented. All of these adjustments are of a normal recurring nature. These financial statements should be read in conjunction with the audited financial statements and notes thereto for the year ended February 2, 2013 included in this prospectus.

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of Sportsman's Warehouse Holdings, Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Fiscal Year

The Company operates using a 52/53 week fiscal year ending on the Saturday closest to January 31. Fiscal years 2013 and 2012 end on February 1, 2014 and February 2, 2013, respectively. Fiscal year 2013 contains 52 weeks of operations and fiscal year 2012 contains 53 weeks of operations. The fiscal interim periods in fiscal 2013 and 2012 are each comprised of 13 weeks.

Seasonality

The Company's business is generally seasonal, with a significant portion of total sales occurring during the third and fourth quarters of the calendar year.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain costs are estimated for the full year and allocated to interim periods based on estimates of time expired, benefit received, or activity associated with the interim period.

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(2) Acquisition

On March 11, 2013, the Company acquired certain assets and assumed certain liabilities of Wholesale Sports Outdoor Outfitters (“Wholesale Sports”). As part of the acquisition, the Company assumed the leases for 10 of the Wholesale Sports locations in Oregon, Washington and Montana. The acquisition was accounted for under the acquisition method of accounting. The results of acquired Wholesale Sports’ operations have been included in the condensed consolidated financial statements since that date. As a result of the acquisition, the Company has increased its presence in the Pacific Northwest. The aggregate purchase price was \$47,767, and was paid in cash.

The following table summarizes the consideration paid for, and the amounts of estimated fair value of, the assets acquired and liabilities assumed at the acquisition date.

Consideration:	
Cash	\$ 47,767
Fair value of total consideration transferred	<u>\$ 47,767</u>
Recognized amounts of identifiable assets acquired and liabilities assumed:	
Current assets	\$ 35,512
Property and equipment	4,500
Definite lived intangible asset	9,063
Current liabilities	<u>(1,308)</u>
Total identifiable net assets assumed	<u>\$ 47,767</u>

The fair value of the current assets acquired includes receivables with a fair value of \$1,118. The gross amount due is \$1,434, of which \$316 is expected to be uncollectable.

As part of the acquisition, the Company incurred legal, accounting, and other due diligence fees that were expensed when incurred. Total fees incurred related to the acquisition for the 13 and 39 weeks ended November 2, 2013, were \$7 and \$2,331, respectively, which is included as a component of selling, general, and administrative expenses in the condensed consolidated statements of income.

The acquired definite lived intangible asset, a non-compete agreement, has a useful life of 5 years, which represent the term of the signed non-compete agreement.

Pro Forma Results

The following pro forma results are based on the individual historical results of the acquired stores with adjustments to give effect to the combined operations as if the acquisition has been consummated at the beginning of fiscal 2012. The pro forma results are intended for information purposes only and do not purport to represent what the combined results of operations would actually have been had the acquisition in fact occurred at the beginning of the earliest period presented.

	13 Weeks Ended October 27, 2012	39 Weeks Ended November 2, 2013	October 27, 2012
	(In thousands, except per share amounts)		
Sales	\$ 156,226	\$ 484,396	\$ 400,889
Net income	<u>\$ 8,189</u>	<u>\$ 15,252</u>	<u>\$ 13,500</u>
Basic earnings per share	<u>\$ 0.71</u>	<u>\$ 1.32</u>	<u>\$ 1.17</u>
Diluted earnings per share	<u>\$ 0.71</u>	<u>\$ 1.32</u>	<u>\$ 1.17</u>

[Table of Contents](#)**Definite Lived Intangible Asset**

Intangible assets increased as a result of the non-compete agreement associated with the Wholesale Sports' acquisition. The following table summarizes the definite lived intangible assets:

	November 2, 2013			
	Gross		Net	
	Amortization period	Carrying amount	Accumulated amortization	Carrying amount
Amortizing intangible assets:				
Non-compete agreement	5 yrs	\$ 9,063	(1,065)	7,998
Total		<u>\$ 9,063</u>	<u>(1,065)</u>	<u>7,998</u>

Amortization expense for definite lived intangible asset was \$452 and \$1,065 for the 13 and 39 weeks ended November 2, 2013, respectively.

(3) Property and Equipment

Property and equipment as of November 2, 2013 and February 2, 2013 are as follows:

	November 2, 2013	February 2, 2013
Furniture, fixtures, and equipment	\$ 21,181	\$ 12,695
Leasehold improvements	14,359	5,723
Construction in progress	4,121	1,333
	<u>39,661</u>	<u>19,751</u>
Less accumulated depreciation and amortization	<u>(11,606)</u>	<u>(8,412)</u>
	<u>\$ 28,055</u>	<u>\$ 11,339</u>

(4) Accrued Expenses

Accrued expenses consist of the following at November 2, 2013 and February 2, 2013:

	November 2, 2013	February 2, 2013
Book overdraft	\$ 11,663	\$ —
Accrued payroll and related expenses	7,501	6,417
Unearned revenue	5,727	6,561
Sales and use tax payable	3,256	3,461
Accrued real estate and personal property taxes	1,618	1,356
Accrued licenses	1,301	960
Accrued unclaimed property	1,190	1,094
Accrued interest	401	704
Other	3,518	2,415
	<u>\$ 36,175</u>	<u>\$ 22,968</u>

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(5) Long-Term Debt

Long-term debt consisted of the following as of November 2, 2013 and February 2, 2013:

	<u>November 2, 2013</u>	<u>February 2, 2013</u>
Term loan	\$ 234,413	\$ 124,688
Note payable to unsecured creditors	—	2,756
Revolving line of credit	<u>57,313</u>	<u>—</u>
	291,726	127,444
Less discount	<u>(2,816)</u>	<u>(2,636)</u>
	288,910	124,808
Less current portion	<u>(59,173)</u>	<u>(3,548)</u>
Long-term portion	<u>\$ 229,737</u>	<u>\$ 121,260</u>

(a) Term Loan

The Company entered into a \$235,000 senior secured term loan facility (“Term Loan”), consisting of a \$185,000 tranche and a \$50,000 tranche, with Credit Suisse AG as administrative agent and collateral agent, on August 20, 2013 (“Closing Date”). The term loans have a maturity date of August 20, 2019.

The Term Loan is secured by a lien on substantially all of the Company’s tangible and intangible assets. The lien securing the obligations under the term loan is a first priority lien as to certain non-liquid assets, including equipment, intellectual property, proceeds of assets sales and other personal property.

The Term Loan was issued at a discount of \$2,938, which is classified as a reduction of the unpaid balance on the consolidated balance sheets. The discount is being amortized over the term of the note using the effective interest method and is included as a component of interest expense on the consolidated statements of income.

The Term Loan requires quarterly payments of \$588 payable on the last business day of each fiscal quarter commencing on November 1, 2013, and continuing up to and including August 20, 2019. A final installment payment consisting of the remaining unpaid balance is due on August 20, 2019. The Company may be required to make mandatory prepayments on the term loans in the event of, among other things, certain asset sales, the receipt of payment in respect of certain insurance claims or upon the issuance or incurrence of certain indebtedness. After the completion of fiscal year 2014, the Company may also be required to make mandatory prepayments based on any excess cash flows as defined in the term loan agreement.

The term loans bear interest at a rate per annum equal to the one-, two-, three-, or six-month LIBOR (or, the nine- or 12-month LIBOR), as defined in the Term Loan agreement, at the Company’s election, which cannot be less than 1.25%, plus an applicable margin of 6.00% and 10.75% for the \$185,000 tranche and \$50,000 tranche, respectively. Since LIBOR has been less than 1.25% since the inception of the term loans through November 2, 2013, the interest rates have been fixed at 7.25% and 12.0% on the \$185,000 tranche and \$50,000 tranche, respectively.

As of November 2, 2013, the Term Loan had \$231,597 outstanding, net of unamortized discount of \$2,816. During the 13 and 39 weeks ended November 2, 2013, the Company recognized \$122 of non-cash interest expense with respect to the amortization of this discount.

Prior to August 20, 2013, Sportsman’s Warehouse had a \$125,000 term loan that bore interest equal to the three-month LIBOR, which could not be less than 1.50%, plus an applicable margin of 7.00%. The interest rate on this term loan was fixed at 8.5% during fiscal year 2013 until the Company repaid it on August 20, 2013, because LIBOR was never more than 1.50% during that time. During the 13 and 39 weeks ended November 2,

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2013, the Company recognized \$2,406 and \$2,635 of non-cash interest expense with respect to the amortization and write-off of the discount on the \$125,000 term loan.

As part of the Term Loan credit agreement, there are a number of financial and non-financial debt covenants. The financial covenants include a net leverage ratio and an interest coverage ratio to be measured on a trailing twelve month basis. As of November 2, 2013 and February 2, 2013, the Company was in compliance with all covenants under the Term Loan.

(b) Note Payable to Unsecured Creditors

The final principal and interest payments were made during the 39 weeks ended November 2, 2013.

(c) Revolving Line of Credit

As of November 2, 2013 and February 2, 2013, the Company had \$64,671 and \$0, respectively, in outstanding revolving loans under the Agreement. Amounts outstanding are offset on the consolidated balance sheets by amounts in depository accounts under lock-box arrangements, which were \$7,358 and \$0 as of November 2, 2013 and February 2, 2013, respectively. As of November 2, 2013, the Company had \$29,429 of net borrowing availability under the terms of the Agreement and stand-by commercial letters of credit of \$400. At February 2, 2013, the Company had no outstanding commercial letters of credit. The revolving credit facility matures on August 20, 2018.

(6) Income Taxes

The 2013 estimated annual effective tax rate is expected to be 39.6% compared to 40.5% for the full year 2012.

(7) Dividend

During the 39 weeks ended November 2, 2013, the Company declared and paid a dividend to all shareholders totaling \$101,065.

(8) Earnings Per Share

Basic earnings per share is calculated by dividing net income by the weighted-average shares of common stock outstanding, reduced by shares repurchased and held in treasury, during the period. Diluted earnings per share represents basic earnings per share adjusted to include the potentially dilutive effect of outstanding share option awards, nonvested share awards and nonvested share unit awards.

The following table sets forth the computation of basic and diluted earnings per common share:

	13 Weeks Ended		39 Weeks Ended	
	November 2, 2013	October 27, 2012	November 2, 2013	October 27, 2012
Net income	<u>\$ 2,222</u>	<u>\$ 7,369</u>	<u>\$ 14,339</u>	<u>\$ 14,104</u>
Weighted-average shares of common stock outstanding:				
Basic	11,578	11,578	11,578	11,578
Dilutive effect of common stock equivalents	—	—	—	—
Diluted	<u>11,578</u>	<u>11,578</u>	<u>11,578</u>	<u>11,578</u>
Basic earnings per share	<u>\$ 0.19</u>	<u>\$ 0.64</u>	<u>\$ 1.24</u>	<u>\$ 1.22</u>
Diluted earnings per share	<u>\$ 0.19</u>	<u>\$ 0.64</u>	<u>\$ 1.24</u>	<u>\$ 1.22</u>

(9) Commitments and Contingencies

The Company is involved in various legal matters generally incidental to its business. The Company believes, after discussion with legal counsel, the disposition of these matters will not have a material impact on its consolidated financial condition, liquidity, or results of operations.

(10) Subsequent Events

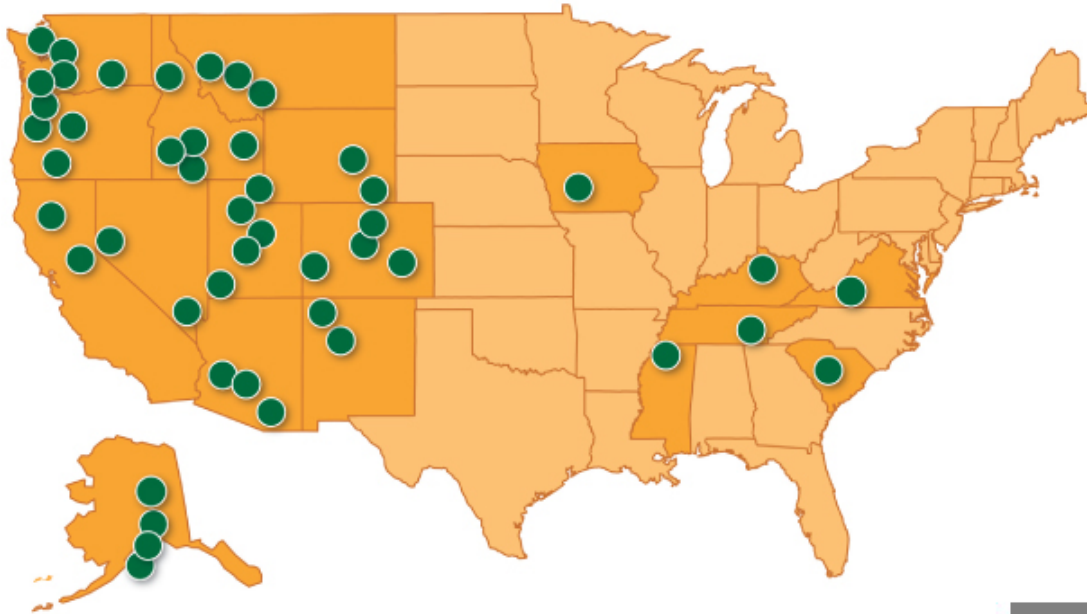
On November 18, 2013 and December 10, 2013, the Company issued an aggregate of 119,750 and 298,490, respectively, restricted stock unit awards to employees of the Company. These awards vest 25% on each of the first, second, third and fourth anniversaries of the grant date provided that the employee remains continuously employed with the Company during that time; provided, however, that if the Company completes an initial public offering of its common stock during the one-year period following the grant date, these awards vest 25% upon the closing of the offering and thereafter on each of the first, second and third anniversaries of the closing of the offering. Total compensation cost expected to be recognized for these awards total \$8,474. In the event that the Company issues an ordinary cash dividend on its common stock, holders of the restricted stock unit awards will receive an additional number of stock units equal to the calculation for common shareholders.

On November 25, 2013, the Company repurchased 100,100 shares of restricted non-voting common stock for \$302. All of these repurchased shares were subsequently retired.

On December 4, 2013, Holdings, previously a Utah corporation, reincorporated in Delaware by consummating a merger with its wholly owned subsidiary SWH Merger Sub, Inc., a Delaware corporation, with the Delaware corporation being the surviving entity and being renamed Sportsman's Warehouse Holdings, Inc.

18 States

47 Store Locations



Anchorage, AK	Idaho Falls, ID	Bend, OR	Puyallup, WA
Fairbanks, AK	Lewiston, ID	Medford, OR	Silverdale, WA
Soldotna, AK	Meridian, ID	Portland, OR	Vancouver, WA
Wasilla, AK	Nampa, ID	Salem, OR	Casper, WY
Mesa, AZ	Twin Falls, ID	Columbia, SC	Cheyenne, WY
Phoenix, AZ	Lexington, KY	Chattanooga, TN	
Tucson, AZ	Southaven, MS	Logan, UT	OPENING 2014:
Redding, CA	Bozeman, MT	Midvale, UT	Chico, CA
Rocklin, CA	Helena, MT	Provo, UT	Rancho Cordova, CA
Colorado Springs, CO	Missoula, MT	Riverdale, UT	Carson City, NV
Grand Junction, CO	Albuquerque, NM	St. George, UT	Hillsboro, OR
Loveland, CO	Farmington, NM	Roanoke, VA	Vernal, UT
Thornton, CO	Las Vegas, NV	Federal Way, WA	Wenatchee, WA
Ankeny, IA	Reno, NV	Kennewick, WA	



Through and including _____, 2014 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II**INFORMATION NOT REQUIRED IN PROSPECTUS****Item 13. Other Expenses of Issuance and Distribution**

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, payable in connection with the registration of the common stock hereunder. All amounts are estimates except the SEC registration fee and the FINRA filing fee.

SEC registration fee	\$29,624
FINRA filing fee	35,000
listing fee	*
Accounting fees and expenses	*
Legal fees and expenses	*
Transfer agent fees and expenses	*
Printing and engraving expenses	*
Miscellaneous expenses	*
Total	<u> *</u>

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers

Section 102(b)(7) of the Delaware General Corporation Law, or the DGCL, permits a corporation in its certificate of incorporation or an amendment to eliminate or limit the personal liability of its directors or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her 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 law or obtained an improper personal benefit. Our amended and restated certificate of incorporation that will be in effect upon completion of this offering will provide for this limitation of liability.

Section 145 of the DGCL provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in related capacities against expenses (including attorneys' fees), judgments, fines and amounts paid in settlements actually and reasonably incurred by the person in connection with 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 the corporation, to which he or she is a party by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Section 145 further provides that in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnify for such expenses which the Court of Chancery or such other court shall deem proper.

Section 145(g) of the DGCL further authorizes a corporation to purchase and maintain insurance on behalf of any indemnified person against any liability asserted against and incurred by such person in any indemnified capacity, or arising out of such person's status as such, regardless of whether the corporation would otherwise have the power to indemnify under Delaware law.

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Our amended and restated certificate of incorporation and our amended and restated bylaws that will be in effect upon completion of this offering provide that we must indemnify our directors and officers to the fullest extent authorized by Delaware law and must also pay expenses incurred in defending any such proceeding in advance of its final disposition upon delivery of an undertaking, by or on behalf of an indemnified person, to repay all amounts so advanced if it should be determined ultimately that such person is not entitled to be indemnified under this section or otherwise.

Upon completion of this offering, we expect to enter into indemnification agreements with each of our directors and executive officers. In general, these agreements provide that we will indemnify the director or executive officer to the fullest extent permitted by law for claims arising in his or her capacity as a director or officer or in connection with his or her service at our request for another corporation or entity.

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.

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.

The underwriting agreement to be filed as an exhibit to this registration statement will provide for indemnification of us and our directors and certain of our officers by the underwriters for certain liabilities.

Item 15. Recent Sales of Unregistered Securities

Set forth below is information regarding securities issued by us within the past three years that were not registered under the Securities Act. Also included is the consideration, if any, received by us for such securities and information relating to the section of the Securities Act, or rule of the SEC, under which exemption from registration was claimed.

1. In February 2011, pursuant to the terms of the Registrant's 2010 Equity Incentive Plan, the Registrant issued an aggregate of 706,315 shares of its restricted nonvoting common stock to certain of its employees at a price per share of \$0.19 for aggregate gross consideration of approximately \$134,200. These shares will automatically convert into 706,315 shares of the Registrant's common stock upon the closing of this offering.
2. In June 2011, pursuant to the terms of the Registrant's 2010 Equity Incentive Plan, the Registrant issued an aggregate of 12,100 shares of its restricted nonvoting common stock to certain of its employees at a price per share of \$0.19 for aggregate gross consideration of approximately \$2,299. These shares will automatically convert into 12,100 shares of the Registrant's common stock upon the closing of this offering.
3. In November 2011, pursuant to the terms of the Registrant's 2010 Equity Incentive Plan, the Registrant issued an aggregate of 475,000 shares of its restricted nonvoting common stock to certain of its employees at a price per share of \$0.19 for aggregate gross consideration of approximately \$90,250. These shares will automatically convert into 475,000 shares of the Registrant's common stock upon the closing of this offering.
4. In November and December 2013, pursuant to the terms of the Registrant's 2013 Performance Incentive Plan, the Registrant granted restricted stock units with respect to an aggregate of 418,240 shares of restricted nonvoting common stock to certain of its employees. The restricted stock units will be issuable into shares of common stock after completion of this offering.

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No underwriters were involved in the foregoing issuances of securities. The offers, sales and issuances of the securities described above were deemed to be exempt from registration under the Securities Act in reliance upon Rule 701 of the Securities Act. The offers, sales and issuances of the securities that were deemed to be exempt in reliance on Rule 701 were transactions under compensatory benefit plans and contracts relating to compensation as provided under Rule 701.

Item 16. Exhibits and Financial Statement Schedules

(a) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
1.1*	Form of Underwriting Agreement.
3.1*	Form of Amended and Restated Articles of Incorporation of Sportsman's Warehouse Holdings, Inc.
3.2*	Form of Amended and Restated Bylaws of Sportsman's Warehouse Holdings, Inc.
4.1*	Form of Specimen Common Stock of Sportsman's Warehouse Holdings, Inc.
4.2*	Registration Rights Agreement among Sportsman's Warehouse Holdings, Inc., SEP SWH Holdings, L.P. and New SEP SWH Holdings, L.P.
5.1*	Opinion of O'Melveny & Myers LLP.
10.1**	Credit Agreement, dated as of August 20, 2013, among Sportsman's Warehouse, Inc., as Borrower, Sportsman's Warehouse Holdings, Inc., the Lenders party thereto and Credit Suisse AG, as Administrative Agent and Collateral Agent.
10.2**	Guarantee and Collateral Agreement, dated as of August 20, 2013, among Sportsman's Warehouse, Inc., as Borrower, Sportsman's Warehouse Holdings, Inc., the Subsidiaries of the Borrower from time to time party thereto and Credit Suisse AG, as Collateral Agent.
10.3**	Credit Agreement, dated as of May 28, 2010, among Sportsman's Warehouse, Inc., as Lead Borrower, the other Borrowers party thereto, Sportsman's Warehouse Holdings, Inc., as a Guarantor, the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent, and Swing Line Lender.
10.3.1**	First Amendment to Credit Agreement, dated as of October 27, 2011, among Sportsman's Warehouse, Inc., as Lead Borrower, the other Borrowers party thereto, Sportsman's Warehouse Holdings, Inc., as a Guarantor, the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent, and Swing Line Lender.
10.3.2**	Second Amendment to Credit Agreement, dated as of November 13, 2012, among Sportsman's Warehouse, Inc., as Lead Borrower, the other Borrowers party thereto, Sportsman's Warehouse Holdings, Inc., as a Guarantor, the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent, and Swing Line Lender.
10.3.3	Side Letter, dated as of July 8, 2013, from Wells Fargo Bank, National Association to Sportsman's Warehouse, Inc.
10.3.4**	Third Amendment to Credit Agreement, dated as of August 20, 2013, among Sportsman's Warehouse, Inc., as Lead Borrower, the other Borrowers party thereto, Sportsman's Warehouse Holdings, Inc., as a Guarantor, the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent, Collateral Agent, and Swing Line Lender.
10.3.5	Side Letter, dated as of October 21, 2013, from Wells Fargo Bank, National Association to Sportsman's Warehouse, Inc.
10.4	Guaranty, dated as of May 28, 2010, by Sportsman's Warehouse Holdings, Inc., as Guarantor, in favor of Wells Fargo Retail Finance, LLC, as Administrative Agent and Collateral Agent, and the Credit Parties.

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<u>Exhibit Number</u>	<u>Description</u>
10.5	Security Agreement, dated as of May 28, 2010, by Sportsman's Warehouse, Inc., Minnesota Merchandising Corp., Sportsman's Warehouse Southwest, Inc. and Pacific Flyway, LLC, as Borrowers, and Sportsman's Warehouse Holdings, Inc., as Guarantor, in favor of Wells Fargo Retail Finance, LLC, as Collateral Agent.
10.6	Form of Agreement between holders of restricted nonvoting common stock and Sportsman's Warehouse Holdings, Inc.
10.7	2013 Performance Incentive Plan.
10.8	Form of Restricted Stock Unit Award Agreement.
10.9*	Form of Indemnification Agreement for Directors and Executive Officers.
10.10	Employment Agreement, dated December 10, 2013, between Sportsman's Warehouse Holdings, Inc. and John V. Schaefer.
21.1	Subsidiaries of Sportsman's Warehouse Holdings, Inc.
23.1*	Consent of KPMG LLP.
23.2*	Consent of O'Melveny & Myers LLP (included as part of Exhibit 5.1).
24.1	Powers of Attorney (included on signature pages to the Registration Statement).

* To be filed by amendment.

** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

(b) Financial Statement Schedules

The following financial statement is included herein at page F-19 of this report:

Schedule II—Valuation of Qualifying Accounts

Schedules not listed have been omitted because the information required to be set forth therein is not applicable, not material or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

(1) The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(2) Insofar as indemnification for liabilities arising under the Securities Act of 1933 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 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 whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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(3) The undersigned registrant hereby undertakes that:

- (a) For purposes of determining any liability under the Securities Act of 1933, 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 of 1933, 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.

CREDIT AGREEMENT

dated as of

August 20, 2013,

among

SPORTSMAN'S WAREHOUSE, INC.,
as Borrower,

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,
as Holdings,

THE LENDERS PARTY HERETO

and

CREDIT SUISSE AG,
as Administrative Agent and Collateral Agent

CREDIT SUISSE SECURITIES (USA) LLC,
as Bookrunner and Lead Arranger

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Exhibit H-4	-	Form of U.S. Tax Compliance Certificate (Foreign Lenders That Are Partnerships)

CREDIT AGREEMENT dated as of August 20, 2013, among SPORTSMAN’S WAREHOUSE, INC., a Utah corporation (the “**Borrower**”), SPORTSMAN’S WAREHOUSE HOLDINGS, INC., a Utah corporation (“**Holdings**”), the Lenders (such term and each other capitalized term used but not defined in this introductory statement having the meaning given it in Article I) from time to time party hereto, and CREDIT SUISSE AG, as administrative agent (in such capacity, including any successor thereto, the “**Administrative Agent**”) and as collateral agent (in such capacity, including any successor thereto, the “**Collateral Agent**”) for the Lenders.

The Borrower has requested the Lenders to extend credit in the form of (a) First Out Term Loans on the Closing Date, in an aggregate principal amount of \$185,000,000 and (b) Last Out Term Loans on the Closing Date, in an aggregate principal amount of \$50,000,000. The proceeds of the Term Loans are to be used solely to (i) consummate the Closing Date Dividend, (ii) repay all amounts outstanding under the Existing Credit Agreement, (iii) to pay the certain fees and expenses related to the Transactions and (iv) for general corporate purposes of the Borrower and its Subsidiaries.

The Lenders are willing to extend such credit to the Borrower on the terms and subject to the conditions set forth herein. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. **Defined Terms.** As used in this Agreement, the following terms shall have the meanings specified below:

“**ABL Agent**” means Wells Fargo Bank, N.A., as administrative agent and collateral agent under the ABL Documents or any future administrative agent or collateral agent under the ABL Documents and party to the Intercreditor Agreement.

“**ABL Credit Agreement**” shall mean that certain Credit Agreement, dated as of May 28, 2010 (as amended, amended and restated, supplemented, extended or otherwise modified from time to time), among the Borrower, as the lead borrower, the borrowers named therein, the ABL Agent and the other lenders party thereto, and any replacement credit agreement entered into pursuant to any Permitted Refinancing Indebtedness in respect thereof.

“**ABL Documents**” shall mean the ABL Credit Agreement and all other Loan Documents (as defined in the ABL Credit Agreement).

“**ABL Facility Amendment**” shall mean that certain Third Amendment to Credit Agreement, dated as of the date hereof, among the Borrower, as the lead borrower, the borrowers named therein, the ABL Agent and the other lenders party thereto.

“**ABL Loans**” shall mean the loans made pursuant to the ABL Credit Agreement.

“**ABL Obligations**” shall have the meaning assigned to such term in the Intercreditor Agreement as in effect as of the Closing Date.

“**ABL Priority Collateral**” shall have the meaning assigned to such term in the Intercreditor Agreement as in effect as of the Closing Date.

“**ABR**”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“**Acceptable Price**” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**Acquired Entity**” shall have the meaning assigned to such term in Section 6.04(g).

“**Additional Lender**” shall mean, at any time, any bank or other financial institution that agrees to provide any portion of any Incremental Term Loans or Other Term Loans pursuant to an Incremental Amendment in accordance with Section 2.22; *provided* that the Administrative Agent shall have consented (such consent not to be unreasonably withheld or delayed) to such bank or other financial institution making such Incremental Term Loans or Other Term Loans if such consent would be required under Section 9.04 for an assignment of Loans to such bank or other financial institution.

“**Adjusted LIBO Rate**” shall mean, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum equal to (a) the greater of 1.25% per annum and (b) the product of (i) the LIBO Rate in effect for such Interest Period and (ii) Statutory Reserves.

“**Administrative Agent**” shall have the meaning assigned to such term in the introductory statement to this Agreement.

“**Administrative Agent Fees**” shall have the meaning assigned to such term in Section 2.05(c).

“**Administrative Questionnaire**” shall mean an Administrative Questionnaire in the form of Exhibit A, or such other form as may be supplied from time to time by the Administrative Agent.

“**Affected Class**” shall have the meaning assigned to such term in Section 2.23(a).

“**Affiliate**” shall mean, when used with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified; *provided, however*, that, for purposes of the definition of “Eligible Assignee” and Section 6.07 the term “Affiliate” shall also include any Person that directly or indirectly owns 5.0% or more of any class of Equity Interests of the Person specified or that is an officer or director of the Person specified.

“**Affiliate Subordination Agreement**” shall mean an Affiliate Subordination Agreement in the form of Exhibit F pursuant to which intercompany obligations and advances owed by any Loan Party are subordinated to the Obligations.

“**Affiliated Lender**” shall mean, at any time, any Lender that is the Sponsor or an Affiliate of the Sponsor (other than Holdings, the Borrower or any of their respective Subsidiaries) at such time.

“**Affiliated Lender Assignment and Acceptance**” shall mean an assignment and acceptance entered into by a Lender and an Affiliated Lender and accepted by the Administrative Agent, in the form of Exhibit B-2 or such other form as shall be approved by the Administrative Agent.

“**Agents**” shall have the meaning assigned to such term in Article VIII.

“Agreement Value” shall mean, for each Hedging Agreement, on any date of determination, the maximum aggregate amount (giving effect to any netting agreements) that Holdings, the Borrower or any of their Subsidiaries would be required to pay if such Hedging Agreement were terminated on such date.

“Agreement Among Lenders” shall mean that certain Agreement Among Lenders, dated as of the date hereof, by and among the Lenders from time to time party hereto and thereto, as amended, restated, amended and restated, supplemented and otherwise modified from time to time in accordance with the terms thereof.

“Alternate Base Rate” shall mean, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the Federal Funds Effective Rate in effect on such day plus 1/2 of 1.0% and (c) the Adjusted LIBO Rate applicable for an Interest Period of one month commencing on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.0%; *provided* that, solely for purposes of determining the Adjusted LIBO Rate for purposes of the foregoing, the LIBO Rate for any day shall be based on the rate set forth on such day at approximately 11:00 a.m. (London time) by reference to the British Bankers’ Association Interest Settlement Rates for deposits in dollars (as set forth by any service selected by the Administrative Agent that has been nominated by the British Bankers’ Association (or the successor thereto if the British Bankers’ Association is no longer making a LIBO Rate available) as an authorized vendor for the purpose of displaying such rates). If the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate or the Adjusted LIBO Rate, as the case may be, for any reason, including the inability or failure of the Administrative Agent to obtain sufficient quotations or offers in accordance with the terms of the respective definitions thereof, the Alternate Base Rate shall be determined without regard to clause (b) or (c), as applicable, of the preceding sentence until the circumstances giving rise to such inability no longer exist. Any change in the Alternate Base Rate due to a change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate shall be effective as of the opening of business on the effective day of such change in the Prime Rate, the Federal Funds Effective Rate or the Adjusted LIBO Rate, as the case may be. If at any time the Alternate Base Rate as calculated pursuant to the foregoing would otherwise be lower than 2.25% per annum, the Alternate Base Rate shall be deemed to be 2.25% per annum at such time.

“Applicable Margin” shall mean, for any day (a) with respect to any Eurodollar First Out Term Loan, 6.00% per annum, (b) with respect to any ABR First Out Term Loan, 5.00% per annum, (c) with respect to any Eurodollar Last Out Term Loan, 10.75% per annum and (d) with respect to any ABR Last Out Term Loan, 9.75% per annum.

“Applicable Discount” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“Asset Sale” shall mean the sale, transfer or other disposition (by way of merger, casualty, condemnation or otherwise) by Holdings or any of the Subsidiaries of Holdings to any Person other than the Borrower or any Subsidiary Guarantor of (a) any Equity Interests of any of the Subsidiaries of Holdings (other than directors’ qualifying shares and other than issuances of Qualified Capital Stock of the Borrower or Minnesota Merchandising to Holdings) or (b) any other assets of Holdings, the Borrower or any of the Subsidiaries of Holdings (other than (i) inventory, damaged, obsolete or worn out assets, scrap and Permitted Investments, in each case disposed of in the ordinary course of business, and (ii) any sale, transfer or other disposition or series of related sales, transfers or other dispositions having a value not in excess of \$500,000).

“Assignment and Acceptance” shall mean an assignment and acceptance entered into by a Lender (other than an Affiliated Lender) and an Eligible Assignee, and accepted by the Administrative Agent, in the form of Exhibit B-1 or such other form as shall be approved by the Administrative Agent.

“ATF” shall mean the federal Bureau of Alcohol, Tobacco and Firearms and any comparable state agency or regulatory body.

“Available Amount” shall mean, as of any date of determination, an amount (if positive) equal to (a) the aggregate cumulative amount of Excess Cash Flow that is Not Otherwise Applied for all fiscal years (commencing with and including the first full fiscal year commencing after the Closing Date) ending on or prior to such date for which financial statements have been delivered pursuant to Section 5.04(a), plus (b) the amount of any Net Cash Proceeds from capital contributions received by Holdings or Net Cash Proceeds of Equity Issuances of Qualified Capital Stock by Holdings, in each case, to the extent not resulting in a Change of Control (other than in connection with Cure Amounts) to the extent contributed by Holdings as a capital contribution to the Borrower after the Closing Date and prior to such date of determination.

“Availability” shall mean, as of any date of determination, the amount available to be drawn under the ABL Credit Agreement as in effect on the date hereof and as amended in accordance with the terms of this Agreement (including, without limitation, Section 6.09) and the Intercreditor Agreement.

“Board” shall mean the Board of Governors of the Federal Reserve System of the United States of America.

“Borrower” shall have the meaning assigned to such term in the introductory statement to this Agreement.

“Borrower Materials” shall have the meaning assigned to such term in Section 9.01.

“Borrowing” shall mean Loans of the same Class and Type made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect.

“Borrowing Request” shall mean a request by the Borrower in accordance with the terms of Section 2.03 and substantially in the form of Exhibit C, or such other form as shall be approved by the Administrative Agent.

“Breakage Event” shall have the meaning assigned to such term in Section 2.16.

“Business Day” shall mean any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by law to close; provided, however, that when used in connection with a Eurodollar Loan or an ABR Loan based on the Adjusted LIBO Rate, the term “Business Day” shall also exclude any day on which banks are not open for dealings in Dollar deposits in the London interbank market.

“Calculation Period” shall mean the four fiscal quarters of Holdings.

“Capital Expenditures” shall mean, for any period, (a) the additions to property, plant and equipment and other capital expenditures of the Borrower and its consolidated Subsidiaries that are (or should be) set forth in a consolidated statement of cash flows of Holdings and its consolidated Subsidiaries for such period prepared in accordance with GAAP and (b) Capital Lease Obligations or Synthetic Lease Obligations incurred by the Borrower and its consolidated Subsidiaries during such

period, but excluding in each case any such expenditure (w) made to restore, replace or rebuild property to the condition of such property immediately prior to any damage, loss, destruction or condemnation of such property, to the extent such expenditure is made with insurance proceeds, condemnation awards or damage recovery proceeds relating to any such damage, loss, destruction or condemnation, (x) financed with the proceeds of asset sales, sales or issuances of Equity Interests, capital contributions, insurance (other than business interruption insurance to the extent included in Consolidated Net Income) or Indebtedness (other than ABL Loans), (y) made as tenant in leasehold improvements to the extent reimbursed by landlords or (z) related to sale-leaseback transactions.

“**Capital Lease Obligations**” of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. Whether a lease constitutes a Capital Lease Obligation shall be determined in accordance with GAAP and policies in conformity with those used to prepare the financial statements of Holdings and its Subsidiaries for the fiscal year ended February 2, 2013.

“**CFC**” shall mean any Subsidiary that is a controlled foreign corporation under Section 957 of the Code.

A “**Change in Control**” shall be deemed to have occurred if (a) prior to a Qualified Public Offering, the Permitted Investors shall fail to own, directly or indirectly, beneficially and of record, shares representing at least 51.0% of each of the economic interests in, or the aggregate ordinary voting power represented by, the issued and outstanding Equity Interests of Holdings, (b) after a Qualified Public Offering, any “person” or “group” (within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934 as in effect on the date hereof), other than the Permitted Investors, shall own, directly or indirectly, beneficially or of record, shares representing more than 35.0% of the aggregate economic interests in, or the ordinary voting power represented by, the issued and outstanding capital stock of Holdings, (c) a majority of the seats (other than vacant seats) on the board of directors of Holdings shall at any time be occupied by persons who were neither (i) nominated by the board of directors of Holdings nor (ii) appointed by directors so nominated, (d) any change in control (or similar event, however denominated) with respect to Holdings or any Subsidiary of Holdings shall occur under and as defined in any indenture or agreement in respect of Material Indebtedness to which Holdings or any Subsidiary of Holdings is a party, or (e) Holdings shall cease to directly own, beneficially and of record, 100% of the issued and outstanding Equity Interests of the Borrower.

“**Change in Law**” shall mean the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority; (c) compliance by any Lender (or, for purposes of Section 2.14, by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; or (d) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that, notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines 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, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Charges” shall have the meaning assigned to such term in Section 9.09.

“Class”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are First Out Term Loans, Last Out Term Loans or a particular tranche of First Out Term Loans or Last Out Term Loans and, when used in reference to any Commitment, refers to whether such Commitment is a Commitment with respect to First Out Term Loans, Last Out Term Loans or a particular tranche of First Out Term Loans or Last Out Term Loans.

“Closing Date” shall mean August 20, 2013.

“Closing Date Dividend” shall mean a cash dividend in an amount not to exceed \$101,100,000 paid by the Borrower to Holdings, and by Holdings to the equity holders of Holdings, in each case, not later than August 22, 2013.

“Closing Date First Out Term Loans” shall mean the Term Loans made on the Closing Date pursuant to Section 2.01(a), without giving effect to any amendment pursuant to Section 2.23. For the avoidance of doubt, Incremental Term Loans and Extended Term Loans shall not constitute Closing Date Term Loans.

“Closing Date Last Out Term Loans” shall mean the Term Loans made on the Closing Date pursuant to Section 2.01(b), without giving effect to any amendment pursuant to Section 2.23. For the avoidance of doubt, Incremental Term Loans and Extended Term Loans shall not constitute Closing Date Term Loans.

“Closing Date Term Loans” shall mean the Closing Date First Out Term Loans and the Closing Date Last Out Term Loans.

“Code” shall mean the Internal Revenue Code of 1986, as amended from time to time.

“Collateral” shall mean all the “Collateral” as defined in any Security Document and shall also include the Mortgaged Properties but shall exclude all Excluded Assets.

“Collateral Agent” shall have the meaning assigned to such term in the introductory statement to this Agreement.

“Commitment” shall mean, with respect to any Lender, such Lender’s commitment to make Term Loans of any Class.

“Commodity Exchange Act” means 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 assigned to such term in Section 9.01.

“Compliance Certificate” shall mean a certificate of a Financial Officer substantially in the form of Exhibit G or such other form as is acceptable to the Administrative Agent.

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

“Consolidated EBITDA” shall mean, for any period, Consolidated Net Income for such period *plus* (a) without duplication and to the extent deducted in determining such Consolidated Net Income, the

sum of (i) consolidated interest expense for such period, (ii) consolidated income tax expense for such period, (iii) all amounts attributable to depreciation and amortization for such period, (iv) any non-cash charges (other than the write-down of current assets and non-cash charges representing an accrual or reserve with respect to an item paid or expected to be paid in cash) for such period (including non-cash compensation expense and amounts representing non-cash adjustments for application arising by reason of the application of ASC No. 805 (relating to changes in accounting for the amortization of goodwill and certain other intangibles), ASC No. 350 and ASC No. 360 (relating to the write-down of long-lived assets) and ASC No. 805 (including in connection with “earn outs” incurred as deferred consideration pursuant to a Permitted Acquisition), (v) to the extent paid in accordance with Section 6.07, any management, monitoring, consulting and advisory costs and expenses paid in cash to the Sponsor during such period, (vi) costs and expenses incurred in connection with (x) the Transactions or (y) the incurrence of any Incremental Term Loans, (vii) costs and expenses incurred in connection with Permitted Acquisitions, (viii) pre-opening and development costs and expenses incurred in connection with the opening of new Stores after the Closing Date, (ix) any unusual or non-recurring charges, expenses or losses (including, without limitation, for litigation) for such period in an amount not to exceed \$2,500,000; and *minus* (b) without duplication (i) all cash payments made during such period on account of reserves, restructuring charges and other non-cash charges added to Consolidated Net Income pursuant to clause (a)(iv) above in a previous period, (ii) any net after tax gain or income from the early extinguishment of Indebtedness, Hedge Agreements or other derivative investments (including as a result of an assignment of Term Loans to a Purchasing Borrower Party as permitted pursuant to Section 9.04(c) or to an Affiliated Lender as permitted pursuant to Section 9.04(d)) and (iii) to the extent included in determining such Consolidated Net Income, any extraordinary gains and all non-cash items of income for such period, all determined on a consolidated basis in accordance with GAAP. For purposes of the determination of the Interest Coverage Ratio, the Total Net Leverage Ratio and the Total Secured Leverage Ratio at any time, Consolidated EBITDA shall be calculated on a Pro Forma Adjusted basis.

“**Consolidated Interest Expense**” shall mean, for any period, the sum of (a) the interest expense (including imputed interest expense in respect of Capital Lease Obligations and Synthetic Lease Obligations) of Holdings, the Borrower and the Subsidiaries of Holdings for such period, determined on a consolidated basis in accordance with GAAP, *plus* (b) any interest accrued during such period in respect of Indebtedness of Holdings, the Borrower or any Subsidiary of Holdings that is required to be capitalized rather than included in consolidated interest expense for such period in accordance with GAAP. Consolidated Interest Expense shall not include costs in connection with the issuance of Indebtedness, debt discount or premium or other financing fees and expenses, in each case, to the extent directly and exclusively related to the consummation of the Transactions. For purposes of the foregoing, interest expense shall be determined after giving effect to any net payments made or received by Holdings, the Borrower or any Subsidiary of Holdings with respect to interest rate Hedging Agreements.

“**Consolidated Net Income**” shall mean, for any period, the net income or loss of Holdings, the Borrower and the Subsidiaries for such period determined on a consolidated basis in accordance with GAAP; *provided* that there shall be excluded (a) the income of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary of that income is not at the time permitted by operation of the terms of its charter or any agreement, instrument, judgment, decree, statute, rule or governmental regulation applicable to such Subsidiary, (b) the income or loss of any Person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the Borrower or any Subsidiary or the date that such Person’s assets are acquired by the Borrower or any Subsidiary, (c) the income of any Person in which any other Person (other than the Borrower or a Wholly Owned Subsidiary or any director holding qualifying shares in accordance with applicable law) has a joint interest, except to the extent of the amount of dividends or other distributions actually paid to the Borrower or a Wholly Owned Subsidiary by such Person during such period and (d) any gains attributable to sales of assets out of the ordinary course of business.

“Contractual Obligation” shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its assets or properties is bound.

“Control” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms **“Controlling”** and **“Controlled”** shall have meanings correlative thereto.

“Credit Event” shall have the meaning assigned to such term in Section 4.01.

“Current Assets” shall mean, on any date of determination, the consolidated current assets (other than cash and Permitted Investments) of Holdings, the Borrower and the Subsidiaries of Holdings. For purposes of calculating Current Assets for any period in which a Permitted Acquisition occurs, the “consolidated current assets” of any Acquired Entity (determined on a basis consistent with the corresponding definitions herein, with appropriate reference changes) as of the date such Permitted Acquisition is consummated shall be added to Current Assets as of the first day of the applicable period.

“Current Liabilities” shall mean, on any date of determination, the consolidated current liabilities of Holdings, the Borrower and the Subsidiaries of Holdings at such time, but excluding, without duplication, the current portion of any long-term Indebtedness and outstanding ABL Loans. For purposes of calculating Current Assets for any period in which a Permitted Acquisition occurs, the “consolidated current liabilities” of any Acquired Entity (determined on a basis consistent with the corresponding definitions herein, with appropriate reference changes) as of the date such Permitted Acquisition is consummated shall be added to Current Liabilities as of the first day of the applicable period.

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

“Default” shall mean any event or condition which upon notice, lapse of time or both would constitute an Event of Default.

“Defaulting Lender” shall mean, subject to Section 2.24(c), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent or any Lender any other amount required to be paid by it hereunder within two Business Days of the date when due, (b) has notified the Borrower or the Administrative Agent in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has,

(i) become the subject of a proceeding under any Debtor Relief Law, or (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or Federal regulatory authority acting in such a capacity; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to 2.24(c)) upon delivery of written notice of such determination to the Borrower and each Lender.

“Disqualified Stock” shall mean any Equity Interest that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, or requires the payment of any cash dividend or any other scheduled payment constituting a return of capital, in each case at any time on or prior to the first anniversary of the Latest Maturity Date (as of the date of issuance of such Equity Interests), (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interest referred to in clause (a) above, in each case at any time prior to the first anniversary of the Latest Maturity Date (as of the date of issuance of such Equity Interests) or (c) has the benefit of any covenants that restrict the payment of the Term Loans or that are EBITDA or debt multiple based (i.e., financial covenants) (it being understood that this clause (c) shall not apply to Equity Interests issued to management of the Loan Parties that matures or is redeemable upon termination of employment with respect to which the redemption price is calculated with respect to EBITDA or a debt multiple).

“Dollars” or **“\$”** shall mean lawful money of the United States of America.

“Domestic Subsidiaries” shall mean all Subsidiaries incorporated or organized under the laws of the United States of America, any State thereof or the District of Columbia.

“Dutch Auction” shall mean one or more purchases (each, a **“Purchase”**) by an Affiliated Lender or a Permitted Auction Purchaser (in either case, a **“Purchaser”**) of Term Loans; *provided* that, each such Purchase is made on the following basis:

(a) (i) the Purchaser will notify the Administrative Agent in writing (a **“Purchase Notice”**) (and the Administrative Agent will deliver such Purchase Notice to each relevant Lender) that such Purchaser wishes to make an offer to purchase from each Lender and/or each Lender with respect to any Class of Term Loans in an aggregate principal amount as is specified by such Purchaser (the **“Purchase Amount”**) with respect to each applicable Class (*provided* that offers shall be made on a pro rata basis with respect to each outstanding Class of Term Loans), subject to a range or minimum discount to par expressed as a price at which range or price such Purchaser would consummate the Purchase (the **“Offer Price”**) of such Class of Term Loans to be purchased (it being understood that different Offer Prices and/or Purchase Amounts, as applicable, may be offered with respect to different Classes of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this definition of **“Dutch Auction”**); *provided* that the Purchase Notice shall specify that each Return Bid (as defined below) must be submitted by a date and time to be specified in the Purchase Notice, which date

shall be no earlier than the second Business Day following the date of the Purchase Notice and no later than the fifth Business Day following the date of the Purchase Notice; (ii) at the time of delivery of the Purchase Notice to the Administrative Agent, no Default or Event of Default shall have occurred and be continuing or would result therefrom (which condition shall be certified as being satisfied in such Purchase Notice) and (iii) the Purchase Amount specified in each Purchase Notice delivered by such Purchaser to the Administrative Agent shall not be less than \$10,000,000 in the aggregate;

(b) such Purchaser will allow each Lender holding the Class of Term Loans subject to the Purchase Notice to submit a notice of participation (each, a "**Return Bid**") which shall specify (i) one or more discounts to par of such Lender's Class or Classes of Term Loans subject to the Purchase Notice expressed as a price (each, an "**Acceptable Price**") (but in no event will any such Acceptable Price be greater than the highest Offer Price for the Purchase subject to such Purchase Notice) and (ii) the principal amount of such Lender's Class or Classes of Term Loans at which such Lender is willing to permit a purchase of all or a portion of its Term Loans to occur at each such Acceptable Price (the "**Reply Amount**");

(c) based on the Acceptable Prices and Reply Amounts of the respective Classes of Term Loans as are specified by the Lenders, the Administrative Agent in consultation with such Purchaser, will determine the applicable discount (the "**Applicable Discount**") which will be the lower of (i) the lowest Acceptable Price at which such Purchaser can complete the Purchase for the entire Purchase Amount, and (ii) in the event that the aggregate Reply Amounts relating to such Purchase Notice are insufficient to allow such Purchaser to complete a purchase of the entire Purchase Amount the highest Acceptable Price that is less than or equal to the Offer Price (it being understood that different Applicable Discounts may be applicable to different Classes of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section);

(d) such Purchaser shall purchase Term Loans of the applicable Class from each Lender holding such Class of Term Loans with one or more Acceptable Prices that are equal to or less than the Applicable Discount ("**Qualifying Bids**") at the Applicable Discount (such Term Loans being referred to as "**Qualifying Loans**" and such Lenders being referred to as "**Qualifying Lenders**") with respect to such Class, subject to clauses (e), (f) and (g) below;

(e) such Purchaser shall purchase the Qualifying Loans offered by the Qualifying Lenders at the Applicable Discount; *provided* that if the aggregate principal amount required to purchase the Qualifying Loans would exceed the Purchase Amount, such Purchaser shall purchase Qualifying Loans ratably based on the aggregate principal amounts of all such Qualifying Loans tendered by each such Qualifying Lender;

(f) the Purchase shall be consummated pursuant to and in accordance with Section 9.04, as applicable, and, to the extent not otherwise provided herein, shall otherwise be consummated pursuant to procedures (including as to timing, rounding and minimum amounts, Interest Periods, and other notices by such Purchaser) reasonably acceptable to the Administrative Agent (*provided* that, subject to the proviso of subsection (g) of this definition, such Purchase shall be required to be consummated no later than five Business Days after the time that Return Bids are required to be submitted by Lenders pursuant to the applicable Purchase Notice); and

(g) upon submission by a Lender of a Return Bid, subject to the foregoing clause (f), such Lender will be irrevocably obligated to sell the entirety or its pro rata portion (as applicable pursuant to clause (e) above) of the Reply Amount at the Applicable Discount plus accrued and unpaid interest through the date of Purchase to such Purchaser pursuant to Section 9.04 and as otherwise provided

herein; *provided* that as long as no Return Bids have been submitted each Purchaser may rescind its Purchase Notice by notice to the Administrative Agent.

“Eligible Assignee” means in the case of Term Loans, (a) a Lender, (b) an Affiliate of a Lender, (c) a Related Fund of a Lender and (d) any other Person (other than a natural person) approved by the Administrative Agent and, except with respect to assignments (i) while an Event of Default has occurred and is continuing under clause (b), (c), (g) or (h) of Section 7.01, (ii) to a Lender, an Affiliate of a Lender or a Related Fund of a Lender or (iii) during the primary syndication of the Commitments or Loans to Persons identified to the Borrower prior to the Closing Date, the Borrower (each such approval not to be unreasonably withheld or delayed); *provided* that the Borrower shall be deemed to have consented to any proposed Eligible Assignee unless it shall object thereto by written notice to the Administrative Agent within five Business Days after having received notice thereof; *provided, further*, that notwithstanding the foregoing, “Eligible Assignee” shall not include the Borrower or any of the Borrower’s Affiliates other than with respect to assignments to (x) Purchasing Borrower Parties to the extent expressly provided for under Section 9.04(c) and (y) Affiliated Lenders to the extent expressly provided for under Section 9.04(d) (which, in each case, shall be permitted if in compliance with Section 9.04(c) or 9.04(d), as applicable, regardless of whether such person otherwise satisfies the criteria of Eligible Assignee).

“Engagement Letter” shall mean the Engagement Letter dated August 8, 2013, between the Borrower and the Administrative Agent.

“Environmental Laws” shall mean all former, current and future Federal, state, local and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives, orders (including consent orders), and agreements in each case, relating to protection of the environment, natural resources, human health and safety or the presence, Release of, or exposure to, Hazardous Materials, or the generation, manufacture, processing, distribution, use, treatment, storage, transport, recycling or handling of, or the arrangement for such activities with respect to, Hazardous Materials.

“Environmental Liability” shall mean all liabilities, obligations, damages, losses, claims, actions, suits, judgments, orders, fines, penalties, fees, expenses and costs (including administrative oversight costs, natural resource damages and remediation costs), whether contingent or otherwise, arising out of or relating to (a) compliance or non-compliance with any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” shall mean shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity interests in any Person, and any option, warrant or other right entitling the holder thereof to purchase or otherwise acquire any such equity interest.

“Equity Issuance” shall mean any issuance or sale by Holdings of any Equity Interests of Holdings, as applicable, except in each case for (a) any issuance of directors’ qualifying shares and (b) sales or issuances of common stock of Holdings to management or employees of Holdings, the Borrower or any Subsidiary under any employee stock option or stock purchase plan or employee benefit plan in existence from time to time.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

“ERISA Affiliate” shall mean any trade or business (whether or not incorporated) that, together with the Borrower, is treated as a single employer under Section 414(b) or (c) of the Code, or solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” shall mean (a) any “reportable event”, as defined in Section 4043 of ERISA or the regulations issued thereunder, with respect to a Plan (other than an event for which the 30-day notice period is waived), (b) the existence with respect to any Plan of an “accumulated funding deficiency” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived, (c) the filing pursuant to Section 412(d) of the Code or Section 303(d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan, (d) the incurrence by the Borrower or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan or the withdrawal or partial withdrawal of the Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan, (e) the receipt by the Borrower or any of its ERISA Affiliates from the PBGC or a plan administrator of any notice relating to the intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan, (f) the adoption of any amendment to a Plan that would require the provision of security pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, (g) the receipt by the Borrower or any of its ERISA Affiliates of any notice, or the receipt by any Multiemployer Plan from the Borrower 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, within the meaning of Title IV of ERISA, (h) the occurrence of a “prohibited transaction” with respect to which Holdings, the Borrower or any of the Subsidiaries is a “disqualified person” (within the meaning of Section 4975 of the Code) or with respect to which Holdings, the Borrower or any such Subsidiary could otherwise be liable, (i) any Foreign Benefit Event or (j) any other event or condition with respect to a Plan or Multiemployer Plan that could result in liability of Holdings, the Borrower or any Subsidiary.

“Eurodollar”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Events of Default” shall have the meaning assigned to such term in Section 7.01.

“Excess Cash Flow” shall mean, for any fiscal year of Holdings (commencing with the first such fiscal year that begins after the Closing Date), the excess of (a) the sum, without duplication, of (i) Consolidated EBITDA for such fiscal year and (ii) reductions to non-cash working capital of Holdings, the Borrower and the Subsidiaries for such fiscal year (*i.e.*, the decrease, if any, in Current Assets *minus* Current Liabilities from the beginning to the end of such fiscal year) *minus* (b) the sum, without duplication, of (i) the amount of any Taxes payable in cash by Holdings, the Borrower and the Subsidiaries with respect to such fiscal year, (ii) Consolidated Interest Expense for such fiscal year paid in cash, (iii) Capital Expenditures made in cash during such fiscal year, except to the extent financed with the proceeds of Indebtedness, equity issuances, casualty proceeds, condemnation proceeds or other proceeds that would not be included in Consolidated EBITDA, (iv) permanent repayments of Indebtedness (other than (w) mandatory prepayments of Loans under Section 2.13, (x) purchases and cancellations of Loans or Commitments by Purchasing Borrower Parties pursuant to Section 9.04(c) or by Affiliated Lenders pursuant to Section 9.04(d), (y) voluntary prepayments of Term Loans that reduce scheduled amortization during the applicable fiscal year or (z) payments of ABL Loans to the extent not accompanied by a commitment reduction)) made in cash by Holdings, the Borrower and the Subsidiaries during such fiscal year, but only to the extent that the Indebtedness so paid by its terms cannot be reborrowed or redrawn and such payments do not occur in connection with a refinancing of the Indebtedness so paid and are not made with the proceeds of other Indebtedness or from the issuance of

Equity Interests, (v) additions to noncash working capital for such fiscal year (*i.e.*, the increase, if any, in Current Assets minus Current Liabilities from the beginning to the end of such fiscal year), (vi) to the extent paid in accordance with Section 6.07, any management, monitoring, consulting and advisory costs and expenses paid in cash to the Sponsor during such period and (vii) costs and expenses incurred in connection with Permitted Acquisitions. For the avoidance of doubt, for purposes of calculating Excess Cash Flow, Consolidated EBITDA shall not be calculated on a Pro Forma Basis.

“**Excess Cash Flow Percentage**” shall mean 50.0%; *provided*, that, the Excess Cash Flow Percentage shall be reduced to (i) 25.0% if the Total Net Leverage Ratio as of the last day of the applicable fiscal year to which the Excess Cash Flow prepayment relates is greater than 1.50 to 1.00 but is not greater than 2.50 to 1.00 and (ii) 0% if the Total Net Leverage Ratio as of the last day of such fiscal year is not greater than 1.50 to 1.00.

“**Excluded Assets**” shall mean (a) any fee-owned real property that is not Material Real Property and any leasehold interests in real property, (b) motor vehicles and other assets subject to certificates of title or ownership, (c) letter of credit rights, except to the extent that the filing of UCC financing statements is sufficient for perfection of security interests in such letter of credit rights, subject to all other clauses of this definition, (d) Equity Interests in any Person (other than any Wholly Owned Subsidiaries) to the extent the pledge thereof is not permitted by the terms of such Person’s existing organizational or joint venture documents (without giving effect to any amendment or modification thereto made in contemplation of or in connection with such pledge or the Transactions), (e) any lease, license or other agreement with any Person (but not any proceeds or receivables thereof) if, to the extent and for so long as, the grant of a Lien thereon to secure the Obligations constitutes a breach of or a default under, or creates a right of termination in favor of any party (other than Holdings or any of its Subsidiaries) with respect to, such lease, license or other agreement (but only to the extent any of the foregoing is not rendered ineffective by, or is otherwise unenforceable under, the Uniform Commercial Code or any Requirements of Law, including any Debtor Relief Law), (f) any asset if, to the extent and for so long as the grant of a Lien thereon to secure the Obligations is prohibited by any Requirements of Law (other than to the extent that any such prohibition would be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable Requirements of Law), (g) those assets as to which the Administrative Agent (in consultation with the Borrower) reasonably determines that the costs (including any adverse tax consequences or other liabilities reasonably expected to be incurred by Holdings, the Borrower or any Subsidiary) of obtaining, perfecting or maintaining a Lien on such assets exceed the fair market value thereof or the practical benefit to the Secured Parties afforded thereby, (h) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted by the terms thereof and (i) any “intent-to-use” application for registration of a Trademark filed pursuant to Section 1(b) of the Lanham Act, 15 U.S.C. §1051, prior to the filing of a “Statement of Use” pursuant to Section 1(d) of the Lanham Act or an “Amendment to Allege Use” pursuant to Section 1(c) of the Lanham Act with respect thereto, but only if and to the extent that the granting of a security interest in such application would result in the invalidation of such application or any resulting registration; *provided* that, notwithstanding anything to the contrary herein, the Excluded Assets shall not include any asset which constitutes collateral for any obligations under or in respect of the ABL Documents; *provided, further*, that all Proceeds (as defined in the Uniform Commercial Code) substitutions or replacements of any “Excluded Assets” described in clauses (a) through (i) (unless such Proceeds (as defined in the Uniform Commercial Code), substitutions or replacements would constitute “Excluded Assets”) shall constitute Collateral.

“**Excluded Swap Obligation**” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal 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) by virtue of such Guarantor's failure for any reason to constitute an "eligible contract participant" as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect 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 Guarantee or security interest is or becomes illegal.

"Excluded Taxes" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.21(a)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.20, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.20(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"Existing Class" shall mean, at any time, a Class of Term Loans existing at such time (not including any Class of Term Loans being made or established at such time).

"Existing Credit Agreement" shall mean that certain Credit Agreement, dated as of November 13, 2012, among the Borrower, Holdings, the lenders from time to time party thereto and Credit Suisse AG, as administrative agent and collateral agent.

"Extended First Out Term Loans" shall mean First Out Term Loans converted by one or more Lenders pursuant to Section 2.23(a).

"Extended Last Out Term Loans" shall mean Last Out Term Loans converted by one or more Lenders pursuant to Section 2.23(a).

"Extended Term Loan Agreement" shall mean an Extended Term Loan Assumption Agreement among, and in form and substance reasonably satisfactory to, the Borrower, the Administrative Agent and one or more Lenders providing such Extended Term Loans.

"Extended Term Loans" shall mean, collectively, Extended First Out Term Loans and Extended Last Out Term Loans.

"Extension Offer" shall have the meaning assigned to such term in Section 2.23(a).

"FATCA" means 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 and any agreements entered into pursuant to Section 1471(b)(1) of the Code.

"FCPA" shall have the meaning assigned to such term in Section 3.25.

“Federal Funds Effective Rate” shall mean, for any day, the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for the day for such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

“Fees” shall mean the First Out Funding Fee, the Last Out Funding Fee and the Administrative Agent Fees.

“Financial Covenants” shall mean the covenants set forth in Section 6.10 and 6.11.

“Financial Officer” of any Person shall mean the chief financial officer, principal accounting officer, treasurer or controller of such Person.

“First Out Funding Fee” shall have the meaning assigned to such term in Section 2.05(a).

“First Out Lender” shall mean a Lender with an outstanding First Out Term Loan Commitment or an outstanding First Out Term Loan.

“First Out Obligations” shall mean all Obligations other than the Last Out Obligations, including, without limitation, any obligations in respect of a Specified Hedge Agreement.

“First Out Term Loans” shall mean (i) the Closing Date First Out Term Loans made pursuant to Section 2.01(a) and (ii) the Incremental First Out Term Loans made pursuant to Section 2.22 Unless the context shall otherwise require, the term “First Out Term Loans” shall include all Classes of First Out Term Loans.

“First Out Term Loan Commitment” shall mean, with respect to each Lender, the commitment of such Lender to make First Out Term Loans hereunder as set forth on Schedule 2.01, or in the Assignment and Acceptance or Affiliated Lender Assignment and Acceptance pursuant to which such Lender assumed its First Out Term Loan Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. Unless the context shall otherwise require, the term “First Out Term Loan Commitments” shall include the Incremental First Out Term Loan Commitments.

“First Out Yield Differential” shall have the meaning assigned to such term in Section 2.22(b).

“Flood Insurance Laws” shall mean, together, (a) the National Flood Insurance Act of 1968 and (b) the Flood Disaster Protection Act of 1973, each as amended and together with any successor law of such type.

“Foreign Benefit Event” shall mean, with respect to any Foreign Pension Plan, (a) the existence of unfunded liabilities in excess of the amount permitted under any applicable law, or in excess of the amount that would be permitted absent a waiver from a Governmental Authority, (b) the failure to make the required contributions or payments, under any applicable law, on or before the due date for such contributions or payments, (c) the receipt of a notice by a Governmental Authority relating to the intention to terminate any such Foreign Pension Plan or to appoint a trustee or similar official to administer any such Foreign Pension Plan, or alleging the insolvency of any such Foreign Pension Plan, (d) the incurrence of any liability in excess of \$1,000,000 by Holdings, the Borrower or any Subsidiary

under applicable law on account of the complete or partial termination of such Foreign Pension Plan or the complete or partial withdrawal of any participating employer therein, or (e) the occurrence of any transaction that is prohibited under any applicable law and that could reasonably be expected to result in the incurrence of any liability by Holdings, the Borrower or any of the Subsidiaries, or the imposition on Holdings, the Borrower or any of the Subsidiaries of any fine, excise tax or penalty resulting from any noncompliance with any applicable law, in each case in excess of \$1,000,000.

“**Foreign Lender**” shall mean any Lender that is not a U.S. Person.

“**Foreign Pension Plan**” shall mean any benefit plan that under applicable law is required to be funded through a trust or other funding vehicle other than a trust or funding vehicle maintained exclusively by a Governmental Authority.

“**GAAP**” shall mean United States generally accepted accounting principles applied on a consistent basis but subject to Section 1.02.

“**Governmental Authority**” shall mean the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local or foreign, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank). For the avoidance of doubt “Governmental Authority” shall include Bureau of Alcohol, Tobacco and Firearms and any state agency, authority, instrumentality, regulatory body or other entity having a similar purview.

“**Government Official**” shall mean (a) an executive, official, employee or agent of a governmental department, agency or instrumentality, (b) a director, officer, employee or agent of a wholly or partially government -owned or -controlled company or business, (c) a political party or official thereof, or candidate for political office or (d) an executive, official, employee or agent of a public international organization (e.g., the International Monetary Fund or the World Bank).

“**Granting Lender**” shall have the meaning assigned to such term in Section 9.04(k).

“**Guarantee**” of or by any Person shall mean any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment of such Indebtedness or other obligation, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment of such Indebtedness or other obligation or (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation; *provided, however*, that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business.

“**Guarantee and Collateral Agreement**” shall mean the Guarantee and Collateral Agreement, substantially in the form of Exhibit D, among the Borrower, Holdings, the Subsidiaries party thereto and the Collateral Agent for the benefit of the Secured Parties.

“**Guarantors**” shall mean Holdings and the Subsidiary Guarantors.

“Hazardous Materials” shall mean (a) any petroleum products or byproducts and all other hydrocarbons, coal ash, radon gas, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, chlorofluorocarbons and all other ozone-depleting substances and (b) any chemical, material, substance or waste that is prohibited, limited or regulated by or pursuant to any Environmental Law.

“Hedging Agreement” shall mean any interest rate protection agreement, foreign currency exchange agreement, commodity price protection agreement or other interest or currency exchange rate or commodity price hedging arrangement.

“Holdings” shall have the meaning assigned to such term in the introductory statement to this Credit Agreement.

“Incremental First Out Term Loan Commitment” shall mean the Commitment of any Lender, established pursuant to Section 2.22, to make Incremental First Out Term Loans to the Borrower.

“Incremental First Out Term Loans” shall mean First Out Term Loans made by one or more Lenders to the Borrower pursuant to Section 2.01(c). Incremental First Out Term Loans may be made in the form of additional First Out Term Loans or, to the extent permitted by Section 2.22 and provided for in the relevant Incremental Term Loan Assumption Agreement, Other First Out Term Loans.

“Incremental Last Out Term Loan Commitment” shall mean the Commitment of any Lender, established pursuant to Section 2.22, to make Incremental Last Out Term Loans to the Borrower.

“Incremental Last Out Term Loans” shall mean Last Out Term Loans made by one or more Lenders to the Borrower pursuant to Section 2.01(c). Incremental Last Out Term Loans may be made in the form of additional Last Out Term Loans or, to the extent permitted by Section 2.22 and provided for in the relevant Incremental Term Loan Assumption Agreement, Other Last Out Term Loans.

“Incremental Term Borrowing” shall mean a Borrowing comprised of Incremental Term Loans.

“Incremental Term Lender” shall mean a Lender with an Incremental Term Loan Commitment or an outstanding Incremental Term Loan.

“Incremental Term Loan Amount” shall mean, at any time, the excess, if any, of (a) \$30,000,000 *minus* (b) the aggregate amount of all Incremental Term Loan Commitments established prior to such time pursuant to Section 2.22.

“Incremental Term Loan Assumption Agreement” shall mean an Incremental Term Loan Assumption Agreement among, and in form and substance reasonably satisfactory to, the Borrower, the Administrative Agent and one or more Incremental Term Lenders.

“Incremental Term Loan Commitments” shall mean, collectively, the Incremental First Out Term Loan Commitments and the Incremental Last Out Term Loan Commitments.

“Incremental Term Loan Repayment Dates” shall mean the dates scheduled for the repayment of principal of any Incremental First Out Term Loan or any Incremental Last Out Term Loan, as the case may be, as set forth in the applicable Incremental Term Loan Assumption Agreement.

“Incremental Term Loans” shall mean, collectively, the Incremental First Out Term Loans and the Incremental Last Out Term Loans.

“Indebtedness” of any Person shall mean, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person upon which interest charges are customarily paid, (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person, (e) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business), (f) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (g) all Guarantees by such Person of Indebtedness of others, (h) all Capital Lease Obligations of such Person, (i) all Synthetic Lease Obligations of such Person, (j) net obligations of such Person under any Hedging Agreements, valued at the Agreement Value thereof, (k) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interests of such Person or any other Person or any warrants, rights or options to acquire such equity interests, valued, in the case of redeemable preferred interests, at the greater of its voluntary or involuntary liquidation preference *plus* accrued and unpaid dividends, (l) all obligations of such Person as an account party in respect of letters of credit, (m) all obligations of such Person in respect of bankers’ acceptances, (n) the liquidation value of all Disqualified Stock of such Person and (o) all obligations of such Person in respect of earn-out or similar performance-based deferred purchase price arrangements if such obligations are required by GAAP to be reflected on the balance sheet of such Person. The Indebtedness of any Person shall include the Indebtedness of any partnership in which such Person is a general partner.

“Indemnified Taxes” shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” shall have the meaning assigned to such term in Section 9.05(b).

“Information” shall have the meaning assigned to such term in Section 9.16.

“Initial Yield” means, with respect to any Indebtedness, the amount (as determined by the Administrative Agent) to be equal to the sum of (i) the one-month Adjusted LIBO Rate (giving effect to any “floor” or minimum rate) *plus* (ii) the margin above the Adjusted LIBO Rate on such Term Loans *plus* (i) if applicable, the amount of any OID paid with respect to such Indebtedness *divided* by the lesser of (x) the Weighted Average Life to Maturity of such Indebtedness and (y) four.

“Intellectual Property” shall have the meaning assigned to such term in the Guarantee and Collateral Agreement.

“Intercreditor Agreement” shall mean that certain Intercreditor Agreement, dated as of the date hereof, among Holdings, the Borrower, Credit Suisse AG, as Administrative Agent and Collateral Agent, and Wells Fargo Bank N.A., as ABL Agent, substantially in the form of Exhibit E, as amended, restated, supplemented, modified, extended or replaced from time to time to the extent not prohibited by this Agreement or the Intercreditor Agreement.

“Interest Coverage Ratio” shall mean, for any period, the ratio of (a) Consolidated EBITDA for such period to (b) (x) Consolidated Interest Expense for such period to the extent such Consolidated Interest Expense has been paid in cash or is required to be paid in cash (and is not capitalized, paid in kind or accreted or amortized) *minus* (y) the aggregate amount of (i) interest income of Holdings, the Borrower and the Subsidiaries for such period, (ii) amortization of deferred financing costs, debt issuance costs,

commissions, discounts, fees and expenses, pay-in-kind interest expense and any other amounts of non-cash interest (including as a result of the effects of acquisition method accounting) and (iii) debt discount or premium and financing fees and expenses, including underwriting and arrangement fees and prepayment or redemption premiums.

“Interest Payment Date” shall mean (a) with respect to any ABR Loan, the last Business Day of each March, June, September and December, and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months’ duration been applicable to such Borrowing.

“Interest Period” shall mean, with respect to any Eurodollar Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months (or, if available to all relevant Lenders, 9 or 12 months) thereafter, as the Borrower may elect; *provided, however*, that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period and (c) no Interest Period for any Loan shall extend beyond the maturity date of such Loan. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or indebtedness or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“IRS” means the United States Internal Revenue Service.

“Junior Indebtedness” shall mean any Indebtedness that is unsecured or contractually subordinated or secured on a junior basis to the Obligations or any Permitted Refinancing Indebtedness in respect thereof. The ABL Credit Agreement and the ABL Loans (and any Permitted Refinancing Indebtedness in respect of the ABL Credit Agreement and the ABL Loans) shall not be considered to be “Junior Financing”.

“Last Out Funding Fee” shall have the meaning assigned to such term in Section 2.05(b).

“Last Out Lender” shall mean a Lender with a Last Out Term Loan Commitment or an outstanding Last Out Term Loan.

“Last Out Obligations” shall mean all Obligations of the Borrower and the other Loan Parties in respect of the Last Out Term Loans.

“Last Out Term Loan Commitment” shall mean, with respect to each Lender, the commitment of such Lender to make Last Out Term Loans hereunder as set forth on Schedule 2.01, or in the Assignment and Acceptance or Affiliated Lender Assignment and Acceptance pursuant to which such Lender assumed its Last Out Term Loan Commitment, as applicable, as the same may be (a) reduced from time to time pursuant to Section 2.09 and (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.04. Unless the context shall otherwise require, the term “Last Out Term Loan Commitments” shall include the Incremental Last Out Term Loan Commitments.

“Last Out Term Loans” shall mean (i) the Closing Date Last Out Term Loans made pursuant to Section 2.01(b) and (ii) the Incremental Last Out Term Loans made pursuant to Section 2.22 Unless the context shall otherwise require, the term “Last Out Term Loans” shall include all Classes of Last Out Term Loans.

“Last Out Yield Differential” shall have the meaning assigned to such term in Section 2.22(b).

“Latest Maturity Date” shall mean, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time, including the latest maturity or expiration date of any Incremental Term Loans, Extended Term Loans or Other Term Loans.

“Lead Arranger” shall mean Credit Suisse Securities (USA) LLC.

“Lenders” shall mean (a) the Persons listed on Schedule 2.01 and (b) any Person that has become a party hereto pursuant to an Assignment and Acceptance or an Affiliated Lender Assignment and Acceptance (in each case, except with respect to Section 9.05, other than any such Person that has ceased to be a party hereto pursuant to an Assignment and Acceptance or an Affiliated Lender Assignment and Acceptance).

“LIBO Rate” shall mean, with respect to any Eurodollar Borrowing for any Interest Period, the rate per annum determined by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the commencement of such Interest Period by reference to the British Bankers’ Association Interest Settlement Rates for deposits in Dollars (as set forth by any service selected by the Administrative Agent that has been nominated by the British Bankers’ Association (or the successor thereto if the British Bankers’ Association is no longer making a LIBO Rate available) as an authorized information vendor for the purpose of displaying such rates) for a period equal to such Interest Period; *provided* that, to the extent that an interest rate is not ascertainable pursuant to the foregoing provisions of this definition, the “LIBO Rate” shall be the interest rate per annum determined by the Administrative Agent to be the average of the rates per annum at which deposits in Dollars are offered for such relevant Interest Period to major banks in the London interbank market in London, England by the Administrative Agent at approximately 11:00 a.m. (London time) on the date that is two Business Days prior to the beginning of such Interest Period.

“Lien” shall mean, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, encumbrance, charge or security interest in or on such asset, (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.

“Loan Documents” shall mean this Agreement, the Security Documents, each Incremental Term Loan Assumption Agreement, the Agreement Among Lenders, each Loan Modification Offer, the promissory notes, if any, executed and delivered pursuant to Section 2.04(e) and any other document executed in connection with the foregoing.

“Loan Parties” shall mean Holdings, the Borrower and the Subsidiary Guarantors.

“Loans” or **“Term Loans”** shall mean the shall mean (i) the Closing Date Term Loans made pursuant to Sections 2.01(a) and (b) and (ii) the Incremental Term Loans made pursuant to Section 2.22 Unless the context shall otherwise require, the terms “Loans” and “Term Loans” shall include all Classes of Term Loans.

“Margin Stock” shall have the meaning assigned to such term in Regulation U.

“Material Adverse Effect” shall mean (a) a materially adverse effect on the business, assets, liabilities, operations, condition (financial or otherwise), operating results of Holdings, the Borrower and their Subsidiaries, taken as a whole, (b) a material impairment of the ability of Holdings, the Borrower or any other Loan Party to perform any of its obligations under any Loan Document to which it is or will be a party (c) a material impairment of the rights and remedies of or benefits available to the Lenders under any Loan Document or (d) a material adverse effect on the Collateral or on the validity, perfection or priority of any Lien granted by any Loan Party in favor of the Collateral Agent for the benefit of the Secured Parties on any material portion of the Collateral.

“Material Indebtedness” shall mean Indebtedness (other than the Loans), or obligations in respect of one or more Hedging Agreements, of any one or more of Holdings, the Borrower or any Subsidiary in an aggregate principal amount exceeding \$5,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of Holdings, the Borrower or any Subsidiary in respect of any Hedging Agreement at any time shall be the Agreement Value of such Hedging Agreement at such time.

“Material Real Property” shall mean any real property (including fixtures) that, individually, has a fair market value greater than or equal to \$1,000,000, including, without limitation, any real property listed on Schedule 1.01(b).

“Maximum Rate” shall have the meaning assigned to such term in Section 9.09.

“Minnesota Merchandising” shall mean Minnesota Merchandising Corp., a Minnesota corporation.

“Moody’s” shall mean Moody’s Investors Service, Inc., or any successor thereto.

“Mortgaged Properties” shall mean, initially, the owned real properties of the Loan Parties specified on Schedule 1.01(b), and shall include each other parcel of real property and improvements thereto with respect to which a Mortgage is granted pursuant to Section 5.12.

“Mortgages” shall mean the mortgages, deeds of trust, leasehold mortgages, assignments of leases and rents, modifications and other security documents delivered pursuant to Section 5.12, each in favor of the Collateral Agent (or any other Person designated by the Collateral Agent) and in form and substance reasonably acceptable to the Collateral Agent, as modified and supplemented and in effect from time to time.

“Multiemployer Plan” shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“Net Cash Proceeds” shall mean (a) with respect to any Asset Sale or Recovery Event, the cash proceeds (including cash proceeds subsequently received (as and when received) in respect of noncash consideration initially received), net of (i) selling expenses (including reasonable broker’s fees or commissions, legal fees, transfer and similar taxes and the Borrower’s good faith estimate of income taxes paid or payable in connection with such sale) or expenses relating to settlement of the underlying insurance claim or taking associated with such Recovery Event paid to Persons that are not Affiliates of any Loan Party, (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Asset Sale (*provided that*, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds), (iii) the principal amount, premium or penalty, if any, interest and other amounts on any Indebtedness for borrowed money which is secured by the asset sold in such Asset Sale and which is required to be repaid with such proceeds (other than (I) any such Indebtedness assumed by the purchaser of such asset and (II) Indebtedness under the ABL Documents) and (iv) to the extent such cash proceeds are received from Asset Sales of, or Recovery Events with respect to, ABL Priority Collateral, so long as any ABL Obligations (other than contingent indemnification obligations for which no claim has then been asserted) remain outstanding, the principal amount, premium or penalty, if any, interest and other ABL Obligations, in each case, which are required to be repaid or cash collateralized with any such proceeds; *provided, however*, that, if (x) the Borrower shall deliver a certificate of a Financial Officer to the Administrative Agent at the time of receipt thereof setting forth the Borrower’s intent to reinvest such proceeds in productive assets of a kind then used or usable in the business of the Borrower and its Subsidiaries within 180 days of receipt of such proceeds and (y) no Default or Event of Default shall have occurred and shall be continuing at the time of such certificate or at the proposed time of the application of such proceeds, such proceeds shall not constitute Net Cash Proceeds except to the extent not so used at the end of such 180-day period, at which time such proceeds shall be deemed to be Net Cash Proceeds; and (b) with respect to any issuance or incurrence of Indebtedness or Equity Issuance, the cash proceeds thereof, net of all taxes and customary fees, commissions, costs and other expenses incurred in connection therewith (limited, in the case of expenses, to those expenses paid to Persons that are not Affiliates of any Loan Party).

“Non-Consenting Lender” shall have the meaning assigned to such term in Section 2.21(a).

“Non-Defaulting Lender” shall mean, at any time, each Lender that is not a Defaulting Lender at such time.

“Not Otherwise Applied” shall mean, as of any date of determination, the aggregate amount of Excess Cash Flow for all fiscal years (commencing with the first full fiscal year commencing after the Closing Date) ending on or prior to such date *minus* (i) all prepayments made (or to be made) by the Borrower in accordance with Section 2.13(b) and voluntary prepayments that reduce the amount of the prepayment required under Section 2.13(b), (ii) all Investments made in reliance on Section 6.04(i), (iii) all Restricted Payments made in reliance on Section 6.06(c) or (iv) prepayments, redemptions, repurchases or retirements of Indebtedness made in reliance on 6.09(c).

“Obligations” shall mean (i) the principal of and interest (including interest accruing (or that would accrue but for the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding) after the maturity of the Loans and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to Holdings, the Borrower or any Subsidiary Guarantor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) on the Loans and (ii) all other obligations and

liabilities of the Borrower or any other Loan Party (including with respect to Guarantees) to any Agent, any Lender or any other Secured Party, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement or any other Loan Document or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent, the Collateral Agent, or to any Lender that are required to be paid by the Borrower or any Guarantor pursuant to any Loan Document), Guarantee obligations, obligations arising under Hedging Agreements or otherwise; *provided, however*, that the definition of “Obligations” shall not include or create any guarantee by any Loan Party of (or grant of security interest by any Loan Party to support, as applicable) any Excluded Swap Obligations of such Loan Party for purposes of determining any obligations of any Loan Party.

“**OFAC**” shall have the meaning assigned to such term in Section 3.24.

“**Offer Price**” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**OID**” shall mean, with respect to any Indebtedness, the amount of any discount at which such Indebtedness is incurred or fee received by the lenders providing such Indebtedness (other than any customary arrangement or commitment fees payable in connection therewith to, and retained by, the arranger with respect to such Indebtedness (and not paid to all lenders generally with respect to such Indebtedness), expressed as a percentage of such Indebtedness.

“**Organizational Documents**” means (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and, if applicable, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

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

“**Other Taxes**” shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under any Loan Document or from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.21).

“**Other First Out Term Loans**” shall have the meaning assigned to such term in Section 2.22(a).

“**Other Last Out Term Loans**” shall have the meaning assigned to such term in Section 2.22(a).

“**Other Term Loans**” shall have the meaning assigned to such term in Section 2.22(a).

“**Parent Company**” shall mean a Person whose sole assets (directly or indirectly) consist of 100% of the Equity Interests of Holdings.

“**Participant**” has the meaning assigned to such term in Section 9.04(h).

“**Participant Register**” has the meaning specified in of Section 9.04(h)

“**PBGC**” shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

“**Perfection Certificate**” shall mean the Perfection Certificate substantially in the form of Exhibit B to the Guarantee and Collateral Agreement.

“**Permitted Acquisition**” shall have the meaning assigned to such term in Section 6.04(g).

“**Permitted Amendments**” shall have the meaning assigned to such term in Section 2.23(b).

“**Permitted Investments**” shall mean:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America), in each case maturing within one year from the date of issuance thereof;

(b) investments in commercial paper maturing within 270 days from the date of issuance thereof and having, at such date of acquisition, the highest credit rating obtainable from S&P or from Moody’s;

(c) investments in certificates of deposit, banker’s acceptances and time deposits maturing within one year from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, the Administrative Agent or any domestic office of any commercial bank organized under the laws of the United States of America or any State thereof that has a combined capital and surplus and undivided profits of not less than \$500,000,000 and that issues (or the parent of which issues) commercial paper rated at least “Prime-1” (or the then equivalent grade) by Moody’s or “A-1” (or the then equivalent grade) by S&P;

(d) fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria of clause (c) above; and

(e) investments in “money market funds” within the meaning of Rule 2a-7 of the Investment Company Act of 1940, as amended, substantially all of whose assets are invested in investments of the type described in clauses (a) through (d) above;

“**Permitted Investors**” shall mean the Sponsor.

“**Permitted Refinancing Indebtedness**” shall mean, with respect to any Indebtedness (the “**Refinanced Indebtedness**”), any Indebtedness issued in exchange for, or the net proceeds of which are used to modify, refinance, refund, renew or extend such Refinanced Indebtedness; *provided* that (a) the aggregate principal amount (or accreted value, if applicable) thereof does not exceed the aggregate principal amount (or accreted value, if applicable) of the Refinanced Indebtedness outstanding

immediately prior to such exchange, modification, refinancing, refunding, renewal or extension, except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable and customary amounts paid, and reasonable and customary fees and expenses incurred, in connection with such exchange, modification, refinancing, refunding, renewal or extension; and *provided, further*, that, in the case of Permitted Refinancing Indebtedness incurred in respect of the ABL Credit Agreement, the aggregate commitments for loans and letters of credit thereunder may not exceed the principal amount permitted to be incurred pursuant to Section 6.01(g), (b) any Permitted Refinancing Indebtedness has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Refinanced Indebtedness, (c) immediately before and after giving effect thereto, no Event of Default shall have occurred and be continuing, (d) if the Refinanced Indebtedness is subordinated in right of payment to the Obligations, any Permitted Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the Administrative Agent and the Lenders as those contained in the documentation governing the Refinanced Indebtedness, (e) the primary obligor(s) in respect of any Permitted Refinancing Indebtedness are the primary obligor(s) in respect of the applicable Refinanced Indebtedness, and each Person (if any) that Guarantees, any Permitted Refinancing Indebtedness is a Person (if any) that Guaranteed (or would have been obligated to Guarantee) the applicable Refinanced Indebtedness, (f) to the extent the Permitted Refinanced Indebtedness is secured, any such Permitted Refinancing Indebtedness shall be secured by no additional assets of Holdings, the Borrower and its Restricted Subsidiaries than the assets securing such Refinanced Indebtedness (except to the extent of after-acquired assets or proceeds of assets that would have secured such Refinanced Indebtedness) and (g) in the case of Permitted Refinancing Indebtedness incurred in respect of the ABL Credit Agreement, if such Permitted Refinancing Indebtedness is secured, such Permitted Refinancing Indebtedness and the Liens securing such Permitted Refinancing Indebtedness, shall be subject to the Intercreditor Agreement.

“**Person**” shall mean any natural person, corporation, business trust, joint venture, association, company, limited liability company, partnership, Governmental Authority or other entity.

“**Plan**” shall mean any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 307 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“**Platform**” shall have the meaning assigned to such term in Section 9.01.

“**Pledged Collateral**” shall have the meaning assigned to such term in the Guarantee and Collateral Agreement

“**Prime Rate**” shall mean the rate of interest per annum determined from time to time by Credit Suisse AG as its prime rate in effect at its principal office in New York City and notified to the Borrower. The prime rate is a rate set by Credit Suisse AG based upon various factors including Credit Suisse AG’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such rate.

“**Pro Forma Basis**” shall mean, with respect to compliance with any test or covenant hereunder, that all Specified Transactions and the following transactions in connection therewith (if any) shall be deemed to have occurred as of the first day of the applicable Calculation Period in such test or covenant: (a) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified Transaction, (i) in the case of an Asset Sale of all or substantially all Equity Interests in or assets of any Subsidiary of Holdings or any division, business unit, line of business or facility used for operations of Holdings or any of its Subsidiaries, shall be excluded, and (ii) 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 Indebtedness incurred or assumed by Holdings or any of its Subsidiaries in connection therewith, and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate which is or would be in effect with respect to such Indebtedness as at the relevant date of determination; *provided* that 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 events that are (x) directly attributable to such transaction, (y) reasonably expected to have a continuing impact on Holdings and its Subsidiaries and (z) factually supportable.

“**Public Lender**” shall have the meaning assigned to such term in Section 9.01.

“**Purchase**” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**Purchase Amount**” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**Purchaser**” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**Purchasing Borrower Parties**” shall mean Holdings, the Borrower and their Subsidiaries.

“**Qualified Capital Stock**” of any Person shall mean any Equity Interest of such Person that is not Disqualified Stock.

“**Qualified Counterparty**” shall mean, with respect to any Specified Hedge Agreement, any counterparty thereto that, at the time such Specified Hedge Agreement was entered into, was a Lender or an Agent or an Affiliate of a Lender or an Agent; *provided* that such Person executes and delivers to Administrative Agent a letter agreement in form and substance reasonably acceptable to Administrative Agent pursuant to which such person (a) appoints the Administrative Agent and the Collateral Agent as its agent under the applicable Loan Documents and (b) agrees to be bound by the provisions of Article VIII.

“**Qualified Public Offering**” shall mean the initial underwritten public offering of common Equity Interests of Holdings pursuant to an effective registration statement filed with the Securities and Exchange Commission in accordance with the Securities Act of 1933, as amended, that results in at least \$40,000,000 of Net Cash Proceeds to Holdings.

“**Qualifying Lenders**” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**Qualifying Loans**” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**Recipient**” means (a) the Administrative Agent and (b) any Lender, as applicable.

“**Recovery Event**” shall mean any settlement of or payment in respect of any property or casualty insurance claim or any taking under power of eminent domain or by condemnation or similar proceeding of or relating to any property or asset of Holdings, the Borrower or any Subsidiary, in each case, having a value in excess of \$500,000 individually or \$1,000,000 in the aggregate in any fiscal year.

“**Register**” shall have the meaning assigned to such term in Section 9.04(f).

“Regulation T” shall mean Regulation T of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation U” shall mean Regulation U of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Regulation X” shall mean Regulation X of the Board as from time to time in effect and all official rulings and interpretations thereunder or thereof.

“Related Fund” shall mean, with respect to any Lender that is a fund or commingled investment vehicle that invests in bank loans, any other fund that invests in bank loans and is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Related Parties” shall mean, with respect to any specified Person, such Person’s Affiliates and the respective directors, trustees, partners, officers, employees, agents, administrators, managers, representatives, legal counsel and advisors of such Person and such Person’s Affiliates.

“Release” shall mean any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment or within or upon any building, structure, facility or fixture.

“Repayment Date” shall have the meaning given such term in Section 2.11(a).

“Reply Amount” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“Required Lenders” shall mean, at any time, Lenders having Loans, and unused Commitments representing more than 50% of the sum of all Loans outstanding and unused Commitments at such time; *provided* that the Commitments and Loans of any Defaulting Lender shall be disregarded in the determination of the Required Lenders at any time.

“Requirement 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 assets or property or to which such Person or any of its assets or property is subject.

“Responsible Officer” of any Person shall mean any executive officer or Financial Officer 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.

“Restricted Indebtedness” shall mean Indebtedness of Holdings, the Borrower or any Subsidiary, the payment, prepayment, repurchase or defeasance of which is restricted under Section 6.09(b).

“Restricted Payment” shall mean any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings, the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Holdings, the Borrower or any Subsidiary.

“Return Bid” shall have the meaning assigned to such term in the definition of “Dutch Auction”.

“**S&P**” shall mean Standard & Poor’s Ratings Service, a division of the McGraw-Hill Companies, Inc., or any successor thereto.

“**Section 5.04 Financials**” means, as applicable, (i) the financial statements delivered, or required to be delivered, pursuant to Section 5.04(a) or (b), together with the accompanying Compliance Certificate delivered, or required to be delivered, pursuant to Section 5.04(c) or (ii) with respect to periods prior to periods covered by such Section 5.04 Financials (and prior to the Closing Date), the financial statements provided to the Administrative Agent with respect to such period with an accompanying officer’s certificate certifying as to the accuracy thereof.

“**Secured Parties**” shall mean (a) the Lenders, (b) the Administrative Agent, (c) the Collateral Agent, (d) each Qualified Counterparty and (e) the successors and assigns of each of the foregoing.

“**Security Documents**” shall mean the Mortgages, the Guarantee and Collateral Agreement, the Intercreditor Agreement and each of the security agreements, mortgages and other instruments and documents executed and delivered pursuant to any of the foregoing or pursuant to Section 5.12.

“**Solvent**” shall mean, with respect to any Person, that, as of the date of determination, (a) the amount of the “fair value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the “present fair saleable value” of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, and (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured.

“**Specified First Out Class**” shall have the meaning assigned to such term in Section 2.22(b).

“**Specified Last Out Class**” shall have the meaning assigned to such term in Section 2.22(b).

“**Specified Hedge Agreement**” shall mean any Hedging Agreement permitted under Section 6.01(i) that is entered into by the Borrower and any Person who was a Qualified Counterparty as of the date such Hedge Agreement was entered into.

“**Specified Transaction**” means, with respect to any period, any Permitted Acquisition or other Investment consisting of an acquisition of 100% of the Equity Interests of a Person, or all or substantially all of the assets of a Person, or a division or line of business of a Person, any sale or disposition of all or substantially all of the Equity Interests in or assets of any Subsidiary of Holdings or any division, business unit, line of business or facility used for the operations of Holdings or any of its Subsidiaries, any incurrence or repayment of Indebtedness, any Restricted Payment under Section 6.06(c) any incurrence of Incremental Term Loans and any incurrence or permanent repayment of Indebtedness (which, in the case of revolving Indebtedness, is accompanied by a commitment reduction) in connection with any of the foregoing.

“**Sponsor**” shall mean Seidler Equity Partners and its Affiliates that are under the Control of Seidler Equity Partners and formed for the purpose of holding Investments or Equity Interests (other than Holdings, the Borrower and the Subsidiaries).

“**SPV**” shall have the meaning assigned to such term in Section 9.04(k).

“**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) expressed as a decimal 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 for Eurocurrency Liabilities (as defined in Regulation D of the Board). Eurodollar Loans shall be deemed to constitute Eurocurrency Liabilities (as defined in Regulation D of the Board) 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 the Administrative Agent or 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.

“**Stores**” shall mean any retail store operated by any Loan Party.

“**Subordinated Indebtedness**” shall mean, with respect to the Obligations, any Indebtedness of the Borrower or any Guarantor which is by its terms subordinated in right of payment to the Obligations (including, in the case of a Guarantor, Obligations of such Guarantor under its Guaranty).

“**Subsidiary**” or “**subsidiary**” shall mean, with respect to any Person (herein referred to as the “**parent**”), any corporation, partnership, limited liability company, association or other business entity (a) of which securities or other ownership interests representing more than 50.0% of the equity or more than 50.0% of the ordinary voting power or more than 50.0% of the general partnership interests are, at the time any determination is being made, owned, Controlled or held, or (b) that is, at the time any determination is made, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent. Unless otherwise specified, “Subsidiary” and “subsidiary” shall refer to the Subsidiaries of Holdings.

“**Subsidiary Guarantor**” shall mean each Subsidiary listed on Schedule 1.01(a), and each other Subsidiary that is or becomes a party to the Guarantee and Collateral Agreement, in each case, other than any such Person that has ceased to be a Subsidiary Guarantor as a result of a transaction not prohibited by this Agreement.

“**Swap Obligation**” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“**Synthetic Lease**” shall mean, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“**Synthetic Lease Obligations**” shall mean, as to any Person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet

of such person in accordance with GAAP if such obligations were accounted for as Capital Lease Obligations.

“Synthetic Purchase Agreement” shall mean any swap, derivative or other agreement or combination of agreements pursuant to which Holdings, the Borrower or any Subsidiary is or may become obligated to make (a) any payment in connection with a purchase by any third party from a Person other than Holdings, the Borrower or any Subsidiary of any Equity Interest or Restricted Indebtedness or (b) any payment (other than on account of a permitted purchase by it of any Equity Interest or Restricted Indebtedness) the amount of which is determined by reference to the price or value at any time of any Equity Interest or Restricted Indebtedness; *provided* that no phantom stock or similar plan providing for payments only to current or former directors, officers or employees of Holdings, the Borrower or the Subsidiaries (or to their heirs or estates) shall be deemed to be a Synthetic Purchase Agreement.

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

“Term Borrowing” shall mean a Borrowing comprised of Term Loans.

“Term Facility” shall mean the term loan facility provided for by this Agreement.

“Term Loan Commitment” shall mean, collectively, the First Out Term Loan Commitments and the Last Out Term Loan Commitments.

“Term Loan Maturity Date” shall mean August 20, 2019.

“Term Loan Ratio” shall mean 3.70 to 1.00.

“Term Loan Repayment Dates” shall mean the Repayment Dates, the Extended Repayment Dates and the Incremental Term Loan Repayment Dates.

“Total Debt” shall mean, on any date of determination, the total Indebtedness of Holdings, the Borrower and the Subsidiaries at such time (excluding Indebtedness of the type described in clause (i), clause (j), clause (k) and clause (l) of the definition of such term, except, in the case of such clause (l), to the extent of any unreimbursed drawings thereunder).

“Total Net Debt” shall mean, on any date of determination, (a) Total Debt *minus* (b) Unrestricted Cash; *provided* that the aggregated amount of cash and Permitted Investments permitted to reduce Total Net Debt pursuant to this clause (b) shall not exceed \$7,500,000.

“Total Net Leverage Ratio” shall mean, on any date of determination, the ratio of Total Net Debt on such date to Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date.

“Total Secured Debt” shall mean, on any date of determination, the Total Debt that consists of Indebtedness that is then secured by Liens on property or assets of Holdings or any of its Subsidiaries.

“Total Secured Leverage Ratio” shall mean, on any date of determination, the ratio of Total Secured Debt on such date to Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date.

“Transactions” shall mean, collectively, (a) the execution, delivery and performance by the Loan Parties of the Loan Documents to which they are a party and the making of the Borrowings hereunder, (c) the consummation of the Closing Date Dividend, (c) the repayment of all amounts outstanding under or in respect of the Existing Credit Agreement and the termination of the commitments thereunder, (d) the execution, delivery and performance by the Loan Parties party thereto of amendments to, and/or amendments and restatements of, certain of the ABL Documents and (e) the payment of related fees and expenses.

“Type”, when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, the term **“Rate”** shall mean the Adjusted LIBO Rate and the Alternate Base Rate.

“Uniform Commercial Code” or **“UCC”** shall mean, unless otherwise specified, the Uniform Commercial Code as from time to time in effect in the State of New York or to the extent it may be required to apply to any item of Collateral, the Uniform Commercial Code (or similar code or statute) of any applicable jurisdiction.

“United States” and **“U.S.”** shall each mean the United States of America.

“Unrestricted Cash” shall mean the aggregate amount of unrestricted cash and Permitted Investments of Holdings and its Subsidiaries which is subject to a valid and perfected Lien in favor of the Collateral Agent, excluding cash and Permitted Investments which are (or are required to be) listed as “restricted” on the consolidated balance sheet of Holdings, the Borrower and the Subsidiaries as of such date (other than to the extent the restricted nature of such cash and Permitted Investments is solely due to the Liens under the Loan Documents or the ABL Documents).

“U.S. Person” shall mean any Person that is a “United States person” as defined in Section 7701(a)(30) of the Code.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.20(g)(i)(b)(iii).

“USA PATRIOT Act” shall mean The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Title III of Pub. L. No. 107-56 (signed into law October 26, 2001)), as amended from time to time.

“USCO” shall mean the United States Copyright Office.

“USPTO” shall mean the United States Patent and Trademark Office.

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

“Wholly Owned Subsidiary” of any Person shall mean a subsidiary of such Person of which securities (except for directors’ qualifying shares) or other ownership interests representing 100% of the Equity Interests are, at the time any determination is being made, owned, Controlled or held by such

Person or one or more wholly owned Subsidiaries of such Person or by such Person and 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 Part I of Subtitle E of Title IV of ERISA.

“**Withholding Agent**” means the Borrower and the Administrative Agent.

SECTION 1.02. **Terms Generally.** (a) The definitions in Section 1.01 shall apply equally to both 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”; and the words “asset” and “property” shall be construed as having 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. The words “hereof”, “herein”, “hereunder” and “hereby” and words of similar import, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement. All references herein to Articles, Sections, Exhibits and Schedules shall be deemed references to Articles and Sections of, and Exhibits and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, (a) any reference in this Agreement to any Loan Document or any other contract or agreement shall mean such document, contract or agreement as amended, restated, supplemented or otherwise modified from time to time, in each case, in accordance with or as permitted under the express terms of this Agreement, and (b) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided, however*, that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in Article VI or any related definition to eliminate the effect of any change in GAAP occurring after the date of this Agreement on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend Article VI or any related definition for such purpose), then the Borrower’s compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

(b) For purposes of determining compliance with the Financial Covenants contained in this Agreement and for any determinations of the Total Net Leverage Ratio, the Total Secured Leverage Ratio, the Interest Coverage Ratio and any other financial ratio (whether for purposes of any incurrence test or otherwise), any election by any Person to measure any portion of a non-derivative financial liability included in the definition of Indebtedness at fair value (as permitted by Financial Accounting Standards Board No. 159 or any similar accounting standard) other than to reflect a hedge of such non-derivative financial liability (including without limitation, both interest rate and foreign currency hedges) shall be disregarded and such determination shall be made instead using the outstanding amount of such Indebtedness.

SECTION 1.03. **Pro Forma Calculations.** All calculations permitted or required to be made on a Pro Forma Basis by Holdings, the Borrower or any Subsidiary pursuant to this Agreement shall include only those adjustments that (a) would be permitted or required by Regulation S-X under the Securities Act of 1933, as amended, or (b) have been certified by a Financial Officer of the Borrower as having been prepared in good faith based upon reasonable assumptions, which assumptions are written in a reasonably detailed manner and are reasonably acceptable to the Administrative Agent. 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 Total Net Leverage Ratio, the Total Secured Leverage Ratio, the Interest Coverage Ratio and the ratio set forth in Section 2.22(c) shall be calculated with respect to such period and such Specified Transaction on a Pro Forma Basis. For the avoidance of doubt, (i) in the case of any test other than compliance with the Financial Covenants and the Total Net Leverage Ratio used in determining the applicable Excess Cash Flow Percentage, such test shall be calculated on a Pro Forma Basis taking into account all Specified Transactions that have occurred from the beginning of the most recently completed Calculation Period through the date of such test, and (ii) in the case of the Financial Covenants and the Total Net Leverage Ratio used in determining the applicable Excess Cash Flow Percentage, such test shall be calculated on a Pro Forma Basis taking into account all Specified Transactions that have occurred during the applicable Calculation Period. Any reference to compliance on a Pro Forma Basis with the Financial Covenants as of any date prior to the last day of the initial Calculation Period with respect to which the Financial Covenants are applicable shall refer to the covenant levels applicable for the first period specified in Sections 6.10 and 6.11, as applicable.

SECTION 1.04. **Classification of Loans and Borrowings.** For purposes of this Agreement, Loans and Commitments may be classified and referred to by Class (e.g., a “First Out Term Loan”) or by Type (e.g., a “Eurodollar Loan”) or by Class and Type (e.g., a “Eurodollar First Out Term Loan”). Borrowings also may be classified and referred to by Class (e.g., a “First Out Term Loan Borrowing”) or by Type (e.g., a “Eurodollar Borrowing”) or by Class and Type (e.g., a “Eurodollar First Out Term Loan Borrowing”).

ARTICLE II

The Credits

SECTION 2.01. **Commitments.** (a) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each First Out Lender agrees, severally and not jointly, to make a Closing Date First Out Term Loan to the Borrower on the Closing Date in a principal amount not to exceed its First Out Term Loan Commitment set forth on Schedule 2.01. Amounts paid or prepaid in respect of First Out Term Loans may not be reborrowed.

(b) Subject to the terms and conditions and relying upon the representations and warranties herein set forth, each Last Out Lender agrees, severally and not jointly, to make a Closing Date Last Out Term Loan to the Borrower on the Closing Date in a principal amount not to exceed its Last Out Term Loan Commitment set forth on Schedule 2.01. Amounts paid or prepaid in respect of Last Out Term Loans may not be reborrowed.

(c) Each First Out Lender having an Incremental First Out Term Loan Commitment, severally and not jointly, hereby agrees, subject to the terms and conditions and relying upon the representations and warranties set forth herein and in the applicable Incremental Term Loan Assumption Agreement, to make Incremental First Out Term Loans to the Borrower, in an aggregate principal amount not to exceed its Incremental First Out Term Loan Commitment. Each Last Out Lender having an Incremental Last Out Term Loan Commitment, severally and not jointly, hereby agrees, subject to the terms and conditions and relying upon the representations and warranties set forth herein and in the applicable Incremental Term Loan Assumption Agreement, to make Incremental Last Out Term Loans to the Borrower, in an aggregate principal amount not to exceed its Incremental Last Out Term Loan Commitment. Amounts paid or prepaid in respect of Incremental Term Loans may not be reborrowed.

SECTION 2.02. **Loans.** (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their applicable Commitments; *provided, however,*

that the failure of any Lender to make any Loan shall not in itself relieve any other Lender of its obligation to lend hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to make any Loan required to be made by such other Lender). The Loans comprising any Borrowing shall be in an aggregate principal amount that is (i) an integral multiple of \$1,000,000 and not less than \$5,000,000 (except, with respect to any Incremental Term Borrowing, to the extent otherwise provided in the related Incremental Term Loan Assumption Agreement) or (ii) equal to the remaining available balance of the applicable Commitments.

(b) Subject to Sections 2.08 and 2.15, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request pursuant to Section 2.03. Each Lender may at its option make any Eurodollar Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement. Borrowings of more than one Type may be outstanding at the same time; *provided, however*, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in more than five Eurodollar Borrowings outstanding hereunder at any time. For purposes of the foregoing, Borrowings having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Borrowings.

(c) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to such account in New York City as the Administrative Agent may designate not later than 1:00 p.m., New York City time, and the Administrative Agent shall promptly credit the amounts so received to an account designated by the Borrower in the applicable Borrowing Request or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Lenders.

(d) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with paragraph (c) above and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If the Administrative Agent shall have so made funds available then, to the extent that such Lender shall not have made such portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower to but excluding the date such amount is repaid to the Administrative Agent at (i) in the case of the Borrower, a rate per annum equal to the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Lender, a rate determined by the Administrative Agent to represent its cost of overnight or short-term funds (which determination shall be conclusive absent manifest error). If such Lender shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Lender's Loan as part of such Borrowing for purposes of this Agreement.

SECTION 2.03. *Borrowing Procedure.* In order to request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 12:00 (noon), New York City time, three Business Days (or such shorter period as permitted by the Administrative Agent in its sole discretion) before a proposed Borrowing, and (b) in the case of an ABR Borrowing, not later than 12:00 noon, New York City time, one Business Day (or such shorter period as permitted by the Administrative Agent in its sole discretion) before a proposed Borrowing. Each such telephonic Borrowing Request shall be irrevocable, and shall be confirmed promptly by hand delivery or fax to the Administrative Agent of a written Borrowing Request and shall specify the following information: (i) whether the Borrowing then being requested is to be a First Out

Term Borrowing, a Last Out Term Borrowing, an Incremental Last Out Term Borrowing or an Incremental Last Out Term Borrowing, and whether such Borrowing is to be a Eurodollar Borrowing or an ABR Borrowing (*provided* that, until the Administrative Agent shall have notified the Borrower that the primary syndication of the Commitments has been completed (which notice shall be given as promptly as practicable and, in any event, within 30 days after the Closing Date), the Borrower shall not be permitted to request a Eurodollar Borrowing with an Interest Period in excess of one month); (ii) the date of such Borrowing (which shall be a Business Day); (iii) the number and location of the account to which funds are to be disbursed; (iv) the amount of such Borrowing; and (v) if such Borrowing is to be a Eurodollar Borrowing, the Interest Period with respect thereto; *provided, however*, that, notwithstanding any contrary specification in any Borrowing Request, each requested Borrowing shall comply with the requirements set forth in Section 2.02. 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 Eurodollar Borrowing 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 2.03 (and the contents thereof), and of each Lender's portion of the requested Borrowing.

SECTION 2.04. Evidence of Debt; Repayment of Loans. (a) The Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each (i) First Out Lender the principal amount of each Closing Date First Out Term Loan of such Lender as provided in Section 2.11 (as may be amended in accordance with Section 2.23 with respect to any incurrence of Extended First Out Term Loans), (ii) Last Out Lender the principal amount of each Closing Date Last Out Term Loan of such Lender as provided in Section 2.11 (as may be amended in accordance with Section 2.23 with respect to any incurrence of Extended Last Out Term Loans) and (iii) Incremental Term Lender the principal amount of each Incremental Term Loan of such Lender as provided in the applicable Incremental Term Loan Assumption Agreement.

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

(c) The Administrative Agent shall maintain accounts in which it will record (i) the amount of each Loan made hereunder, the Class and Type thereof and, if applicable, the Interest Period 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 or any Guarantor and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraphs (b) and (c) above shall be *prima facie* evidence of the existence and amounts of the obligations therein recorded; *provided, however*, that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligations of the Borrower to repay the Loans in accordance with their terms.

(e) Any Lender may request that Loans made by it hereunder be evidenced by a promissory note. In such event, the Borrower shall execute and deliver to such Lender a promissory note payable to such Lender and its registered assigns and in a form and substance reasonably acceptable to the Administrative Agent and the Borrower. Notwithstanding any other provision of this Agreement, in the event any Lender shall request and receive such a promissory note, the interests represented by such note shall at all times (including after any assignment of all or part of such interests pursuant to Section 9.04)

be represented by one or more promissory notes payable to the payee named therein or its registered assigns.

SECTION 2.05. **Fees.** (a) The Borrower agrees to pay, on the Closing Date, to each First Out Lender funding Closing Date First Out Term Loans a funding fee (a “**First Out Funding Fee**”) equal to 1.00% of the stated principal amount of such Lender’s Closing Date First Out Term Loans.

(b) The Borrower agrees to pay, on the Closing Date, to each Last Out Lender funding Closing Date Last Out Term Loans a funding fee (a “**Last Out Funding Fee**”) equal to 2.175% of the stated principal amount of such Lender’s Closing Date Last Out Term Loans.

(c) The Borrower agrees to pay to the Administrative Agent, for its own account, the administrative fees set forth in the Engagement Letter at the times and in the amounts specified therein (the “**Administrative Agent Fees**”).

(d) All Fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the applicable Lenders. Once paid, none of the Fees shall be refundable under any circumstances.

SECTION 2.06. **Interest on Loans.** (a) Subject to the provisions of Section 2.07, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 days) at a rate per annum equal to the Alternate Base Rate plus the Applicable Margin.

(b) Subject to the provisions of Section 2.07, the Loans comprising each Eurodollar Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days) at a rate per annum equal to the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Margin.

(c) Interest on each Loan shall be payable on the Interest Payment Dates applicable to such Loan except as otherwise provided in this Agreement. The applicable Alternate Base Rate or Adjusted LIBO Rate for each Interest Period or day within an Interest Period, as the case may be, shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.07. **Default Interest.** If the Borrower shall default in the payment of any principal of or interest on any Loan or any other amount due hereunder or under any other Loan Document, by acceleration or otherwise, all overdue amounts outstanding under this Agreement and the other Loan Documents shall bear interest (after as well as before judgment), payable on demand, (a) in the case of overdue principal, at the rate otherwise applicable to such Loan pursuant to Section 2.06 plus 2.0% per annum and (b) with respect to all other overdue amounts, at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 365 days) equal to the rate that would be applicable to an ABR Loan plus 2.0% per annum.

SECTION 2.08. **Alternate Rate of Interest.** In the event, and on each occasion, that on the day two Business Days prior to the commencement of any Interest Period for a Eurodollar Borrowing the Administrative Agent shall have determined that Dollar deposits in the principal amounts of the Loans comprising such Borrowing are not generally available in the London interbank market, or that the rates at which such Dollar deposits are being offered will not adequately and fairly reflect the cost to the majority of Lenders of making or maintaining Eurodollar Loans during such Interest Period, or that reasonable means do not exist for ascertaining the Adjusted LIBO Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or fax notice of such determination to the Borrower and the

Lenders. In the event of any such determination, until the Administrative Agent shall have advised the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, any request by the Borrower for a Eurodollar Borrowing pursuant to Section 2.03 or 2.10 shall be deemed to be a request for an ABR Borrowing. Each determination by the Administrative Agent under this Section 2.08 shall be conclusive absent manifest error.

SECTION 2.09. Termination and Reduction of Commitments. (a) The Term Loan Commitments (other than any Incremental Term Loan Commitments, which shall terminate as provided in the related Incremental Term Loan Assumption Agreement) shall automatically terminate upon the making of the Term Loans on the Closing Date. Notwithstanding the foregoing, all the Commitments shall automatically terminate at 5:00 p.m., New York City time, on August 20, 2013, if the initial Credit Event shall not have occurred by such time.

(b) Upon at least three Business Days' prior irrevocable written or fax notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the unused Commitments; *provided, however*, that each partial reduction of unused Commitments shall be in an integral multiple of \$1,000,000 and in a minimum amount of \$5,000,000.

(c) Each reduction in the unused Commitments shall be made ratably among the Lenders in accordance with their respective applicable Commitments.

SECTION 2.10. Conversion and Continuation of Borrowings. The Borrower shall have the right at any time upon prior irrevocable notice to the Administrative Agent (a) not later than 10:00 a.m., New York City time, on any Business Day, to convert any Eurodollar Borrowing into an ABR Borrowing as of such day, (b) not later than 12:00 (noon), New York City time, three Business Days prior to conversion or continuation, to convert any ABR Borrowing into a Eurodollar Borrowing or to continue any Eurodollar Borrowing as a Eurodollar Borrowing for an additional Interest Period, and (c) not later than 12:00 (noon), New York City time, three Business Days prior to conversion, to convert the Interest Period with respect to any Eurodollar Borrowing to another permissible Interest Period, subject in each case to the following:

(i) until the Administrative Agent shall have notified the Borrower that the primary syndication of the Term Loans has been completed (which notice shall be given as promptly as practicable and, in any event, within 30 days after the Closing Date), no ABR Borrowing may be converted into a Eurodollar Borrowing with an Interest Period in excess of one month;

(ii) each conversion or continuation shall be made pro rata among the Lenders in accordance with the respective principal amounts of the Loans comprising the converted or continued Borrowing;

(iii) if less than all the outstanding principal amount of any Borrowing shall be converted or continued, then each resulting Borrowing shall satisfy the limitations specified in Sections 2.02(a) and 2.02(b) regarding the principal amount and maximum number of Borrowings of the relevant Type;

(iv) each conversion shall be effected by each Lender and the Administrative Agent by recording for the account of such Lender the new Loan of such Lender resulting from such conversion and reducing the Loan (or portion thereof) of such Lender being converted by an equivalent principal amount; accrued interest on any Eurodollar Loan (or portion thereof) being converted shall be paid by the Borrower at the time of conversion;

(v) if any Eurodollar Borrowing is converted at a time other than the end of the Interest Period applicable thereto, the Borrower shall pay, upon demand, any amounts due to the Lenders pursuant to Section 2.16;

(vi) any portion of a Borrowing maturing or required to be repaid in less than one month may not be converted into or continued as a Eurodollar Borrowing;

(vii) any portion of a Eurodollar Borrowing that cannot be converted into or continued as a Eurodollar Borrowing by reason of the immediately preceding clause shall be automatically converted at the end of the Interest Period in effect for such Borrowing into an ABR Borrowing;

(viii) no Interest Period may be selected for any Eurodollar Term Borrowing that would end later than a Term Loan Repayment Date occurring on or after the first day of such Interest Period if, after giving effect to such selection, the aggregate outstanding amount of (A) the Eurodollar Term Borrowings comprised of Closing Date Term Loans or Incremental Term Loans, as applicable, with Interest Periods ending on or prior to such Term Loan Repayment Date and (B) the ABR Term Borrowings comprised of Closing Date Term Loans or Incremental Term Loans, as applicable, would not be at least equal to the principal amount of Term Borrowings to be paid on such Term Loan Repayment Date; and

(ix) upon notice to the Borrower from the Administrative Agent given at the request of the Required Lenders, after the occurrence and during the continuance of a Default or Event of Default, no outstanding Loan may be converted into, or continued as, a Eurodollar Loan.

Each notice pursuant to this Section 2.10 shall be irrevocable and shall refer to this Agreement and specify (i) the identity and amount of the Borrowing that the Borrower requests be converted or continued, (ii) whether such Borrowing is to be converted to or continued as a Eurodollar Borrowing or an ABR Borrowing, (iii) if such notice requests a conversion, the date of such conversion (which shall be a Business Day) and (iv) if such Borrowing is to be converted to or continued as a Eurodollar Borrowing, the Interest Period with respect thereto. If no Interest Period is specified in any such notice with respect to any conversion to or continuation as a Eurodollar Borrowing, the Borrower shall be deemed to have selected an Interest Period of one month's duration. The Administrative Agent shall advise the Lenders of any notice given pursuant to this Section 2.10 and of each Lender's portion of any converted or continued Borrowing. If the Borrower shall not have given notice in accordance with this Section 2.10 to continue any Borrowing into a subsequent Interest Period (and shall not otherwise have given notice in accordance with this Section 2.10 to convert such Borrowing), such Borrowing shall, at the end of the Interest Period applicable thereto (unless repaid pursuant to the terms hereof), automatically be continued as or converted into, as applicable, an ABR Borrowing.

SECTION 2.11. *Repayment of Term Borrowings.* (a) The Borrower shall pay to the Administrative Agent, for the account of the Lenders, (x) on November 1, 2013, and on the last Business Day of each subsequent fiscal quarter (each such date, together with the Term Loan Maturity Date, being called a "**Repayment Date**"), a principal amount of the Term Loans (other than Other Term Loans and Extended Term Loans) equal to 0.25% of the aggregate principal amount of the Term Loans outstanding on the Closing Date (as such payments are adjusted from time to time pursuant to Sections 2.12(b), 2.13(e), 2.22(d), 2.23(b) and 9.04(c) or (d)) and (y) on the Term Loan Maturity Date, the unpaid outstanding balance of the Term Loans (other than Other Term Loans and Extended Term Loans), in each case, together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. Such repayments of Term Loans shall be allocated pro rata to the First Out Term Loans then outstanding and the Last Out Term Loans then outstanding (in each case, other than Other Term Loans and Extended Term Loans).

(b) To the extent not previously paid (and except as may be otherwise expressly provided in any amendment to this Agreement with respect to Extended Term Loans or Other Term Loans), all Term Loans shall be due and payable on the Term Loan Maturity Date together with accrued and unpaid interest on the principal amount to be paid to but excluding the date of payment.

(c) All repayments pursuant to this Section 2.11 shall be subject to Section 2.16, but shall otherwise be without premium or penalty.

SECTION 2.12. Voluntary Prepayment. (a) The Borrower shall have the right at any time and from time to time to prepay any Borrowing, in whole or in part, upon at least three Business Days' prior written or fax notice (or telephone notice promptly confirmed by written or fax notice) in the case of Eurodollar Loans, or written or fax notice (or telephone notice promptly confirmed by written or fax notice) at least one Business Day prior to the date of prepayment in the case of ABR Loans, to the Administrative Agent before 12:00 (noon), New York City time; *provided, however*, that each partial prepayment (but not a prepayment in full) shall be in an amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000.

(b) Voluntary prepayments of Term Loans shall be allocated pro rata to the First Out Term Loans then outstanding and the Last Out Term Loans then outstanding; *provided* that (i) voluntary prepayments of First Out Term Loans shall be applied pro rata to all Classes of First Out Term Loans then outstanding, and (b) voluntary prepayments of Last Out Term Loans shall be applied pro rata to all Classes of Last Out Term Loans then outstanding; *provided, further*, that any such prepayments shall be applied to each such Class of First Out Term Loans or Last Out Term Loans, as the case may be, as directed by the Borrower against the remaining scheduled installments of principal due in respect of each such Class, so long as the Borrower directs such prepayments to be applied to each Class in the same manner (by way of illustration, if such prepayments are applied pro rata to the remaining amortization payments of the First Out Term Loans, they shall also be applied pro rata to the remaining amortization payments of the Last Out Term Loans).

(c) Each notice of prepayment shall specify the prepayment date and the principal amount of each Borrowing (or portion thereof) to be prepaid, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein on the date stated therein; *provided, however*, that if such prepayment is for all of the then outstanding Loans, then the Borrower may revoke such notice and/or extend the prepayment date by not more than five Business Days; *provided further, however*, that the provisions of Section 2.16 shall apply with respect to any such revocation or extension. All prepayments under this Section 2.12 shall be subject to Sections 2.16 and 2.25 but shall otherwise be without premium or penalty. All prepayments under this Section 2.12 shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment.

SECTION 2.13. Mandatory Prepayments. (a) Not later than the third Business Day following the receipt of Net Cash Proceeds in respect of any Asset Sale or Recovery Event, the Borrower shall apply 100% of the Net Cash Proceeds received with respect thereto to prepay outstanding Term Loans in accordance with Section 2.13(e).

(b) Commencing with the first fiscal year commencing after the Closing Date, no later than the fifth Business Day following the date on which the financial statements of the Borrower with respect to each such fiscal year are required to be delivered pursuant to Section 5.04(a), the Borrower shall prepay outstanding Term Loans in accordance with Section 2.13(e) in an aggregate principal amount equal to (x) (i) the Excess Cash Flow Percentage for such fiscal year then ended *multiplied by* (ii) the Excess Cash Flow for such fiscal year then ended *minus* (y) voluntary prepayments of Term Loans during such fiscal year (other than any such voluntary prepayments that reduce scheduled amortization during the applicable

fiscal year) (it being agreed that purchases pursuant to a Dutch Auction or any purchase or acquisition by any Affiliated Lender, even if subsequently cancelled, shall not be a voluntary prepayment) but only to the extent that such prepayments are not funded with Indebtedness and such prepayments do not occur in connection with a refinancing of all or any portion of such Indebtedness.

(c) In the event that any Loan Party or any subsidiary of a Loan Party shall receive Net Cash Proceeds from the issuance or incurrence of Indebtedness for money borrowed of any Loan Party or any subsidiary of a Loan Party (other than any cash proceeds from the issuance of Indebtedness for money borrowed permitted pursuant to Section 6.01), the Borrower shall, substantially simultaneously with (and in any event not later than the third Business Day next following) the receipt of such Net Cash Proceeds by such Loan Party or such subsidiary, apply an amount equal to 100% of such Net Cash Proceeds to prepay outstanding Term Loans in accordance with Section 2.13(e).

(d) In the event that Holdings or the Borrower receives any Cure Amount, the Borrower shall, substantially simultaneously with (and in any event within one Business Day following) the receipt of such Cure Amount by Holdings or the Borrower, apply an amount equal to 100% of such Cure Amount to prepay outstanding Term Loans in accordance with Section 2.13(e).

(e) Unless any applicable Incremental Term Loan Assumption Agreement or Extended Term Loan Agreement specifies that the applicable Class (or Classes) of Term Loans participates on a less than pro rata basis in any mandatory prepayments hereunder (it being understood and agreed that no such agreement may specify that any Class of Term Loans participates on greater than a pro rata basis), in each case solely with respect to the Closing Date Term Loans, each mandatory prepayment of outstanding Term Loans under this Agreement shall be allocated pro rata among each Class of the Term Loans then outstanding and, with respect to each Class, applied, *first*, against any scheduled amortization payments that would otherwise be due in the succeeding 12-month period, in direct order of maturity, and, *second*, against the remaining scheduled amortization payments due in respect thereof pro rata; *provided* that, subject to the foregoing, mandatory prepayments of outstanding Term Loans shall be applied, *first*, against ABR Loans, and, *second*, against LIBO Rate Loans.

(f) The Borrower shall deliver to the Administrative Agent, at the time of each prepayment required under this Section 2.13, (i) a certificate signed by a Financial Officer of the Borrower setting forth in reasonable detail the calculation of the amount of such prepayment and (ii) to the extent practicable, at least three days prior written notice of such prepayment. Each notice of prepayment shall specify the prepayment date, the Type of each Loan being prepaid and the principal amount of each Loan (or portion thereof) to be prepaid. All prepayments of Borrowings under this Section 2.13 shall be subject to Sections 2.16 and 2.25, but shall otherwise be without premium or penalty, and shall be accompanied by accrued and unpaid interest on the principal amount to be prepaid to but excluding the date of payment.

SECTION 2.14. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision of this Agreement, if any Change in Law shall (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by any Lender (except any such reserve requirement which is reflected in the Adjusted LIBO Rate); (ii) subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or (iii) impose on such Lender or the London interbank market any other condition affecting this Agreement or Eurodollar Loans made by such Lender, and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan or to reduce the amount of any sum received or receivable by such

Lender hereunder (whether of principal, interest or otherwise) by an amount deemed by such Lender to be material, then the Borrower will pay to such Lender, upon demand, such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

(b) If any Lender shall have determined that any Change in Law regarding capital adequacy has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy) by an amount deemed by such Lender to be material, then from time to time the Borrower shall pay to such Lender, upon demand, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as applicable, as specified in paragraph (a) or (b) above shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate delivered by it within 10 days after its receipt of the same.

(d) Failure or delay on the part of any Lender to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital shall not constitute a waiver of such Lender's right to demand such compensation; *provided* that the Borrower shall not be under any obligation to compensate any Lender under paragraph (a) or (b) above with respect to increased costs or reductions with respect to any period prior to the date that is 120 days prior to such request if such Lender knew or could reasonably have been expected to know of the circumstances giving rise to such increased costs or reductions and of the fact that such circumstances would result in a claim for increased compensation by reason of such increased costs or reductions; *provided further* that the foregoing limitation shall not apply to any increased costs or reductions arising out of the retroactive application of any Change in Law within such 120-day period. The protection of this Section shall be available to each Lender regardless of any possible contention of the invalidity or inapplicability of the Change in Law that shall have occurred or been imposed.

SECTION 2.15. *Change in Legality.* (a) Notwithstanding any other provision of this Agreement, if any Change in Law shall make it unlawful for any Lender to make or maintain any Eurodollar Loan or to give effect to its obligations as contemplated hereby with respect to any Eurodollar Loan, then, by written notice to the Borrower and to the Administrative Agent:

(i) such Lender may declare that Eurodollar Loans will not thereafter (for the duration of such unlawfulness) be made by such Lender hereunder (or be continued for additional Interest Periods) and ABR Loans will not thereafter (for such duration) be converted into Eurodollar Loans, whereupon any request for a Eurodollar Borrowing (or to convert an ABR Borrowing to a Eurodollar Borrowing or to continue a Eurodollar Borrowing for an additional Interest Period) shall, as to such Lender only, be deemed a request for an ABR Loan (or a request to continue an ABR Loan as such for an additional Interest Period or to convert a Eurodollar Loan into an ABR Loan, as the case may be), unless such declaration shall be subsequently withdrawn; and

(ii) such Lender may require that all outstanding Eurodollar Loans made by it be converted to ABR Loans, in which event all such Eurodollar Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in paragraph (b) below.

In the event any Lender shall exercise its rights under (i) or (ii) above, all payments and prepayments of principal that would otherwise have been applied to repay the Eurodollar Loans that would have been made by such Lender or the converted Eurodollar Loans of such Lender shall instead be applied to repay the ABR Loans made by such Lender in lieu of, or resulting from the conversion of, such Eurodollar Loans.

(b) For purposes of this Section 2.15, a notice to the Borrower by any Lender shall be effective as to each Eurodollar Loan made by such Lender, if lawful, on the last day of the Interest Period then applicable to such Eurodollar Loan; in all other cases such notice shall be effective on the date of receipt by the Borrower.

SECTION 2.16. Breakage. The Borrower shall indemnify each Lender against any loss or expense that such Lender may sustain or incur as a consequence of (a) any event, other than a default by such Lender in the performance of its obligations hereunder, which results in (i) such Lender receiving or being deemed to receive any amount on account of the principal of any Eurodollar Loan prior to the end of the Interest Period in effect therefor, (ii) the conversion of any Eurodollar Loan to an ABR Loan, or the conversion of the Interest Period with respect to any Eurodollar Loan, in each case other than on the last day of the Interest Period in effect therefor, or (iii) any Eurodollar Loan to be made by such Lender (including any Eurodollar Loan to be made pursuant to a conversion or continuation under Section 2.10) not being made after notice of such Loan shall have been given by the Borrower hereunder (any of the events referred to in this clause (a) being called a "**Breakage Event**") or (b) any default in the making of any payment or prepayment required to be made hereunder. In the case of any Breakage Event, such loss shall include an amount equal to the excess, as reasonably determined by such Lender, of (i) its cost of obtaining funds for the Eurodollar Loan that is the subject of such Breakage Event for the period from the date of such Breakage Event to the last day of the Interest Period in effect (or that would have been in effect) for such Loan *minus* (ii) the amount of interest likely to be realized by such Lender in redeploying the funds released or not utilized by reason of such Breakage Event for such period. A certificate of any Lender setting forth any amount or amounts which such Lender is entitled to receive pursuant to this Section 2.16 shall be delivered to the Borrower and shall be conclusive absent manifest error.

SECTION 2.17. Pro Rata Treatment. Subject to any express provisions of this Agreement to the contrary (including, without limitation, any such provisions added pursuant to any Extended Term Loan Agreement or any Incremental Term Loan Assignment Agreement) with respect to any Class of Loans or Commitments, as applicable, each Borrowing, each payment or prepayment of principal of any Borrowing, each payment of interest on the Loans, each reduction of the Commitments and each conversion of any Borrowing to or continuation of any Borrowing as a Borrowing of any Type shall be allocated pro rata among the Lenders with Loans or Commitments, as applicable, of such Class in accordance with their respective applicable Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amounts of their outstanding Loans). Each Lender agrees that in computing such Lender's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Lender's percentage of such Borrowing to the next higher or lower whole Dollar amount.

SECTION 2.18. Sharing of Setoffs. Subject to any express provisions of this Agreement to the contrary (including, without limitation, any such provisions added pursuant to any Extended Term Loan Agreement or any Incremental Term Loan Assignment Agreement) each Lender agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower or any other Loan Party, or pursuant to a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Lender under any applicable bankruptcy, insolvency or other similar law or otherwise, or by any other means, obtain payment (voluntary or involuntary) in respect of any Loan as a result of which the unpaid principal

portion of its Loans shall be proportionately less than the unpaid principal portion of the Loans of any other Lender, it shall be deemed simultaneously to have purchased from such other Lender at face value, and shall promptly pay to such other Lender the purchase price for, a participation in the Loans of such other Lender, so that the aggregate unpaid principal amount of the Loans held by each Lender shall be in the same proportion to the aggregate unpaid principal amount of all Loans then outstanding as the principal amount of its Loans prior to such exercise of banker's lien, setoff or counterclaim or other event was to the principal amount of all Loans outstanding prior to such exercise of banker's lien, setoff or counterclaim or other event; *provided, however*, that (i) if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.18 and the payment giving rise thereto shall thereafter be recovered, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustment restored without interest, and (ii) the provisions of this Section 2.18 shall not be construed to apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender) or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to Holdings or any of its Affiliates (as to which the provisions of this Section 2.18 shall apply). The Borrower and Holdings expressly consent to the foregoing arrangements and agree that any Lender holding a participation in a Loan deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim with respect to any and all moneys owing by the Borrower and Holdings to such Lender by reason thereof as fully as if such Lender had made a Loan directly to the Borrower in the amount of such participation.

SECTION 2.19. *Payments.* (a) The Borrower shall make each payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder and under any other Loan Document not later than 12:00 (noon), New York City time, on the date when due in immediately available Dollars, without setoff, defense or counterclaim. Any amounts received after 12:00 (noon), New York City time, on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. Each such payment shall be made to the Administrative Agent at its offices at Eleven Madison Avenue, New York, NY 10010. The Administrative Agent shall promptly distribute to each Lender any payments received by the Administrative Agent on behalf of such Lender.

(b) Except as otherwise expressly provided herein, whenever any payment (including principal of or interest on any Borrowing or any Fees or other amounts) hereunder or under any other Loan Document shall become due, or otherwise would occur, on a day that is not a Business Day, such payment may be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of interest or Fees, if applicable.

SECTION 2.20. *Taxes.* (a) **Defined Terms.** For purposes of this Section 2.20, the term "applicable law" includes FATCA.

(b) Any and all payments by or on account of any obligation of the Borrower or any other Loan Party hereunder or under any other Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums

payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) In addition, the Borrower shall timely pay to the relevant Governmental Authority in accordance with applicable law, or, at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) The Borrower shall indemnify the Administrative Agent and each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own or on behalf of a Lender shall be conclusive absent manifest error.

(e) Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(h) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. 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 any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrower to a Governmental Authority pursuant to this Section 2.20, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) Any Foreign Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent or as otherwise prescribed by applicable law, such properly completed and executed documentation as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.20(g) (i)(a), (i)(b) and (i)(d) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing,

(a) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(b) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “interest” article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the “business profits” or “other income” article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of a Foreign 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 H-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “**U.S. Tax Compliance Certificate**”) and (y) executed originals of IRS Form W-8BEN; or

(iv) to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-2 or Exhibit H-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit H-4 on behalf of each such direct and indirect partner;

(c) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(d) if a payment made to a Lender under any Loan 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 and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

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

(h) If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.20 (including by the payment of additional amounts pursuant to this Section 2.20), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the indemnification payments or additional amounts giving rise to such refund had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

SECTION 2.21. **Assignment of Commitments Under Certain Circumstances; Duty to Mitigate.** (a) In the event (i) any Lender delivers a certificate requesting compensation pursuant to Section 2.14, (ii) any Lender delivers a notice described in Section 2.15, (iii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority on account of any Lender pursuant to Section 2.20, (iv) any Lender (such Lender, a "**Non-Consenting Lender**") refuses to consent to any amendment, waiver or other modification of any Loan Document requested by the Borrower that requires the consent of a greater percentage of the Lenders than the Required Lenders and such amendment, waiver or other modification is consented to by the Required Lenders, or (v) any Lender is a Defaulting Lender, then, in each case, the Borrower may, at its sole expense and effort (including with respect to the processing and recordation fee referred to in Section 9.04(b)), upon notice to such Lender and the Administrative Agent, require such Lender to transfer and assign, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all of its interests, rights and obligations under this Agreement (or, in the case of clause (iv) above, all of its interests, rights and obligations with respect to the Class of Loans or Commitments that is the subject of the related consent, amendment, waiver or other modification) to an Eligible Assignee that shall assume such assigned obligations and, with respect

to clause (iv) above, shall consent to such requested amendment, waiver or other modification of any Loan Documents (which assignee may be another Lender, if a Lender accepts such assignment); *provided* that (x) such assignment shall not conflict with any law, rule or regulation or order of any court or other Governmental Authority having jurisdiction, (y) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld or delayed, and (z) the Borrower or such assignee shall have paid to the affected Lender in immediately available funds an amount equal to the sum of the principal of and interest accrued to the date of such payment on the outstanding Loans of such Lender, *plus* all Fees and other amounts accrued for the account of such Lender hereunder with respect thereto (including any amounts under Sections 2.14, 2.16 and 2.25); *provided further* that, if prior to any such transfer and assignment the circumstances or event that resulted in such Lender's claim for compensation under Section 2.14, notice under Section 2.15 or the amounts paid pursuant to Section 2.20, as the case may be, cease to cause such Lender to suffer increased costs or reductions in amounts received or receivable or reduction in return on capital, or cease to have the consequences specified in Section 2.15, or cease to result in amounts being payable under Section 2.20, as the case may be (including as a result of any action taken by such Lender pursuant to paragraph (b) below), or if such Lender shall waive its right to claim further compensation under Section 2.14 in respect of such circumstances or event or shall withdraw its notice under Section 2.15 or shall waive its right to further payments under Section 2.20 in respect of such circumstances or event or shall consent to the proposed amendment, waiver, consent or other modification or shall cease to be a Defaulting Lender, as the case may be, then such Lender shall not thereafter be required to make any such transfer and assignment hereunder. Each Lender hereby grants to the Administrative Agent and the Borrower an irrevocable power of attorney (which power is coupled with an interest) to execute and deliver, on behalf of such Lender, as the case may be, as assignor, any Assignment and Acceptance necessary to effectuate any assignment of such Lender's interests hereunder in the circumstances contemplated by this Section 2.21(a).

(b) If (i) any Lender shall request compensation under Section 2.14, (ii) any Lender delivers a notice described in Section 2.15 or (iii) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority on account of any Lender, pursuant to Section 2.20, then such Lender shall use reasonable efforts (which shall not require such Lender to incur an unreimbursed loss or unreimbursed cost or expense or otherwise take any action inconsistent with its internal policies or legal or regulatory restrictions or suffer any disadvantage or burden deemed by it to be significant) (x) to file any certificate or document reasonably requested in writing by the Borrower or (y) to assign its rights and delegate and transfer its obligations hereunder to another of its offices, branches or affiliates, if such filing or assignment would reduce its claims for compensation under Section 2.14 or enable it to withdraw its notice pursuant to Section 2.15 or would reduce amounts payable pursuant to Section 2.20, as the case may be, in the future. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such filing or assignment, delegation and transfer.

SECTION 2.22. Incremental Term Loans. (a) The Borrower may, by written notice to the Administrative Agent from time to time, request Incremental Term Loan Commitments in an amount not to exceed the Incremental Term Loan Amount from one or more Lenders or Additional Lenders, all of which must be Eligible Assignees; *provided* that the aggregate amount of Incremental Term Loan Commitments hereunder shall not exceed the Incremental Term Loan Amount; *provided, further*, that, unless the Total Secured Leverage Ratio does not exceed 2.50 to 1.00, calculated on a Pro Forma Basis as of the last day of the most recent Calculation Period for which Section 5.04 Financials have been delivered after giving effect to any additional Term Loans that would be made under any additional Incremental Term Loan Commitments, the ratio of Incremental First Out Term Loan Commitments to Incremental Last Out Term Loan Commitments then incurred shall not exceed the Term Loan Ratio. Such notice shall set forth (i) the amount of the Incremental First Out Term Loan Commitments and/or Incremental Last Out Term Loan Commitments being requested (which shall be in minimum increments

of \$1,000,000 and a minimum amount of \$10,000,000 or such lesser amount equal to the remaining Incremental Term Loan Amount), (ii) the date on which such Incremental Term Loan Commitments are requested to become effective (which shall not be less than 10 Business Days nor more than 60 days after the date of such notice) (or such shorter or longer period as may be acceptable to the Administrative Agent), (iii) whether such Incremental Term Loan Commitments are commitments (w) to make additional First Out Term Loans on terms identical to the First Out Term Loans then outstanding, (x) to make additional Last Out Term Loans on terms identical to the Last Out Term Loans then outstanding, (y) commitments to make First Out Term Loans with terms different from the First Out Term Loans then outstanding ("**Other First Out Term Loans**") or (z) commitments to make Last Out Term Loans with terms different from the Last Out Term Loans then outstanding ("**Other Last Out Term Loans**" and, together with any Other First Out Term Loans, "**Other Term Loans**"), and (iv) the Total Secured Leverage Ratio, calculated on a Pro Forma Basis as of the last day of the most recent Calculation Period for which Section 5.04 Financials have been delivered after giving effect to any additional Term Loans that would be made under any additional Incremental Term Loan Commitments.

(b) The Borrower may seek Incremental Term Loan Commitments from existing Lenders and/or Additional Lenders (each of which shall be entitled to agree or decline to participate in its sole discretion). The Borrower and each Incremental Term Lender shall execute and deliver to the Administrative Agent an Incremental Term Loan Assumption Agreement reasonably acceptable to the Administrative Agent and such other documentation as the Administrative Agent shall reasonably specify to evidence the Incremental First Out Term Loan Commitment and/or Incremental Last Out Term Loan Commitment of each Incremental Term Lender. The terms and provisions of the Incremental Term Loans shall be identical to those of the Term Loans except as otherwise set forth herein or in the Incremental Term Loan Assumption Agreement. Without the prior written consent of the Required Lenders, (i) the final maturity date of any Incremental Term Loans shall be no earlier than the Latest Maturity Date, (ii) the Weighted Average Life to Maturity of the Incremental Term Loans shall be no shorter than the longest Weighted Average Life to Maturity of any Existing Class of Term Loans (except to the extent of nominal amortization for periods where amortization has been eliminated as a result of prepayment of the applicable Loans), (iii) if the Initial Yield on any such Incremental First Out Term Loans exceeds the Initial Yield then in effect for any then-outstanding Class of Eurodollar First Out Term Loans (based, in each case, on Eurodollar Loans having a one-month Interest Period, regardless of the then-existing Interest Period or Type of Term Loan) by more than 50 basis points (each such class, a "**Specified First Out Class**" and the amount of such excess above 50 basis points being referred to herein as the "**First Out Yield Differential**"), then the Applicable Margin then in effect for all First Out Term Loans of each Specified First Out Class shall automatically be increased by the applicable First Out Yield Differential with respect to such Class, effective upon the making of the Incremental First Out Term Loans and (iv) if the Initial Yield on any such Incremental Last Out Term Loans exceeds the Initial Yield then in effect for any then-outstanding Class of Eurodollar Last Out Term Loans (based, in each case, on Eurodollar Loans having a one-month Interest Period, regardless of the then-existing Interest Period or Type of Term Loan) by more than 50 basis points (each such class, a "**Specified Last Out Class**" and the amount of such excess above 50 basis points being referred to herein as the "**Last Out Yield Differential**"), then the Applicable Margin then in effect for all Last Out Term Loans of each Specified Last Out Class shall automatically be increased by the applicable Last Out Yield Differential with respect to such Class, effective upon the making of the Incremental Last Out Term Loans. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Incremental Term Loan Assumption Agreement. Each of the parties hereto hereby agrees that, upon the effectiveness of any Incremental Term Loan Assumption Agreement, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Incremental Term Loan Commitment and the Incremental Term Loans evidenced thereby, and the Administrative Agent and the Borrower may revise this Agreement to evidence such amendments.

(c) Notwithstanding the foregoing, no Incremental Term Loan Commitment shall become effective under this Section 2.22 unless (i) on the date of such effectiveness, the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be satisfied and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower, (ii) as of the date of incurrence of such Incremental Term Loan Commitment and as of the last day of the most recent Calculation Period for which Section 5.04 Financials have been delivered, (x) the Borrower shall be in compliance with the Financial Covenants, and (y) the Total Secured Leverage Ratio shall not exceed 3.25 to 1.00, in each case, calculated on a Pro Forma Basis as of the last day of the most recent Calculation Period for which Section 5.04 Financials have been delivered after giving effect to any additional Term Loans or Other Term Loans, (iii) the Administrative Agent shall have received from the Borrower all fees and other amounts due and payable in respect of the Incremental Term Loan Commitments, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document, and (iv) except as otherwise specified in the applicable Incremental Term Loan Assumption Agreement, the Administrative Agent shall have received (for distribution to the Lenders) legal opinions, board resolutions and other closing certificates reasonably requested by the Administrative Agent and consistent with those delivered on the Closing Date under Section 4.02.

(d) Each of the parties hereto hereby agrees that the Administrative Agent may, in consultation with the Borrower, take any and all action as may be reasonably necessary to ensure that, if applicable, (i) all Incremental First Out Term Loans, when originally made, are included in each Borrowing of outstanding Closing Date First Out Term Loans on a pro rata basis, and (ii) all Incremental Last Out Term Loans, when originally made, are included in each Borrowing of outstanding Closing Date Last Out Term Loans on a pro rata basis. This may be accomplished by requiring each applicable outstanding Eurodollar Term Borrowing to be converted into an ABR Term Borrowing on the date of each such Incremental Term Loan, or by allocating a portion of each such applicable Incremental Term Loan to each applicable outstanding Eurodollar Term Borrowing on a pro rata basis. Any conversion of Eurodollar Term Loans to ABR Term Loans required by the preceding sentence shall be subject to Section 2.16. If any Incremental Term Loan is to be allocated to an existing Interest Period for a Eurodollar Term Borrowing, then the interest rate thereon for such Interest Period and the other economic consequences thereof shall be as set forth in the applicable Incremental Term Loan Assumption Agreement. In addition, to the extent any Incremental Term Loans are not Other Term Loans, the scheduled amortization payments under Section 2.11(a)(i) required to be made after the making of such Incremental Term Loans shall be ratably increased by the aggregate principal amount of such Incremental Term Loans and shall be further increased for all Lenders on a pro rata basis to the extent necessary to avoid any reduction in the amortization payments to which the Lenders were entitled before such recalculation.

(e) This Section 2.22 shall supersede any provisions of Section 2.17, 2.18 or 9.08 to the contrary.

SECTION 2.23. *Extended Term Loans.* (a) The Borrower may, by written notice to the Administrative Agent (which notice shall be provided to all Lenders with respect to the Affected Class) from time to time, make one or more offers (each, an “*Extension Offer*”) to all Lenders of one or more Classes of Loans and/or Commitments (each Class subject to such an Extension Offer, an “*Affected Class*”) to convert the First Out Term Loans or Last Out Term Loans of such Affected Class to Extended First Out Term Loans or Extended Last Out Term Loans, respectively to extend the scheduled date(s) of any payments of principal (including, without limitation, at final maturity) with respect to such Term Loans, pursuant to procedures reasonably specified by the Administrative Agent and reasonably acceptable to the Borrower. Such notice shall set forth (x) the terms and conditions of the Extended First Out Term Loans or Extended Last Out Term Loans, as applicable, to be established (which shall be

identical in all material respects to the Term Loans of such Affected Class except for any Permitted Amendments) and (y) the date on which such Permitted Amendment is requested to become effective (which shall not be less than 10 Business Days nor more than 30 Business Days after the date of such notice) (or such other periods as are acceptable to the Administrative Agent in its sole discretion). Permitted Amendments shall become effective only with respect to the Loans and Commitments of the Lenders of the Affected Class that accept the applicable Extension Offer (such Lenders, the “**Accepting Lenders**”) and, in the case of any Accepting Lender, only with respect to such Lender’s Loans and Commitments of such Affected Class as to which such Lender’s acceptance has been made. In the event that the aggregate amount of Term Loans of the Affected Class subject to acceptances exceeds the amount of Extended Term Loans permitted pursuant to an Extension Offer, Term Loans subject to such Extension Offer shall be converted to Extended Term Loans on a pro rata basis based on the amount of Term Loans included in each Accepting Lender’s acceptance of the Loan Modification Offer or as may be otherwise agreed to in the applicable Extended Term Loan Agreement.

(b) “**Permitted Amendments**” shall mean (i) all or any of the scheduled payments of principal (including payment at maturity) of the Extended Term Loans may be reduced, eliminated or delayed to dates later than the scheduled payments of principal of the Term Loans of such Affected Class to the extent provided in such Extension Offer, (ii) the Applicable Margin, the Adjusted LIBO Rate “floor” set forth in clause (a) of the definition of “Adjusted LIBO Rate” and/or fees payable with respect to the Extended Term Loans may be different from the same provisions for the Term Loans of such Affected Class, in each case, to the extent provided in the Extension Offer, (iii) any Extended Term Loans may participate on a pro rata basis or a less than pro rata basis (but not greater than a pro rata basis) in any voluntary or mandatory prepayments hereunder, in each case, as specified in the respective Extension Offer, (iv) the Extension Offer may provide for other covenants and terms (x) that apply solely to any period after the then-existing Latest Maturity Date or after approval thereof by the Required Lenders or (y) that are less favorable to the investors providing the Extended Term Loans than the covenants and terms applicable to the Affected Class from which they were converted and (v) any amendment to any Loan Documents required to give effect to the Permitted Amendments described in clauses (i) to (iv) of this Section 2.23(b).

(c) This Section 2.23 shall supersede any provisions of Section 2.17, 2.18 or 9.08 to the contrary.

SECTION 2.24. Defaulting Lenders. Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(a) Such Defaulting Lender’s right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders.

(b) 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 Article VIII or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 9.06 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 or Event of 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 any outstanding Commitments under this Agreement; *fourth*, to the payment of any amounts owing to the

Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default or Event of Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, 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 4.01 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 with respect to the applicable Class of Loans hereunder at the time of funding thereunder. 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 2.24(b) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(c) 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, such 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 Loans to be held pro rata by the Lenders in accordance with the Commitments with respect to the applicable Class of Loans hereunder at the time of funding thereunder, 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 2.25. *Prepayment Premium.* If, on or prior to the date that is two years after the Closing Date, (a) there shall occur any amendment, amendment and restatement or other modification of this Agreement that has the effect of reducing the Applicable Margin with respect to any Term Loans (including any reduction or elimination of any "LIBOR floor") or (b) all or any portion of any Term Loans (including any Other Term Loans unless otherwise expressly provided in the applicable Incremental Term Loan Assumption Agreement) are repaid, prepaid (including in connection with any mandatory prepayment of the Loans pursuant to Section 2.13(c)) or refinanced substantially concurrently with or using the proceeds from, the issuance or incurrence of Indebtedness having an Initial Yield lower than the applicable total yield of the Class or Classes of Term Loans so prepaid or refinanced (as determined by the Administrative Agent to be equal to (i) the sum of (x) the Applicable Margin then in effect for such Class or Classes of Eurodollar Loans (based, in each case, on Eurodollar Loans having a one-month Interest Period, regardless of the then-existing Interest Period or Type of Term Loan) *plus* the one-month Adjusted LIBO Rate applicable to such Class or Classes of Term Loans, *plus* (y) the First Out Funding Fee or Last Out Funding Fee, as applicable, paid with respect to such Term Loans on the Closing Date, *divided by* (i) four, then each such amendment, amendment and restatement, modification, repayment, prepayment or refinancing, as the case may be, shall be accompanied by a fee or prepayment premium, as applicable, equal to (A) 2.00% of the outstanding principal amount of the Term Loans affected by such amendment, amendment and restatement or modification, or subject to such repayment, prepayment or refinancing if such amendment, amendment and restatement, modification, repayment, prepayment or refinancing occurs on or prior to the date that is one year after the Closing Date or (B) 1.00% of the outstanding principal amount of the Term Loans affected by such amendment, amendment

and restatement or modification, or subject to such repayment, prepayment or refinancing if such amendment, amendment and restatement, modification, repayment, prepayment or refinancing occurs after the date that is one year after the Closing Date but on or prior to the date that is two years after the Closing Date. As a condition to effectiveness of any required assignment by any Non-Consenting Lender of its Term Loans (including any Other Term Loans unless otherwise expressly provided in the applicable Incremental Term Loan Assumption Agreement) pursuant to Section 2.21(a) or otherwise in respect of any amendment, amendment and restatement or modification to this Agreement effective prior to the date that is two years after the Closing Date that has the effect of reducing the applicable total yield (as determined by the Administrative Agent on the same basis) for any Term Loans, the Borrower shall pay to such Non-Consenting Lender of Term Loans a premium or fee equal to the premium or fee that would apply pursuant to the preceding sentence if such Non-Consenting Lender's Term Loans being assigned were being prepaid and subject to the premium or fee set forth in the immediately preceding sentence.

ARTICLE III

Representations and Warranties

Each of Holdings and the Borrower represents and warrants to the Administrative Agent, the Collateral Agent and each of the Lenders on the Closing Date and on the date of any other Credit Event that:

SECTION 3.01. **Organization; Powers.** Holdings, the Borrower and each of the Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, (b) has all requisite power and authority to own its property and assets and to carry on its business as now conducted and as proposed to be conducted, (c) is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required, except where the failure so to qualify, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, and (d) has the power and authority to execute, deliver and perform its obligations under each of the Loan Documents and each other agreement or instrument contemplated thereby to which it is or will be a party and, in the case of the Borrower, to borrow hereunder.

SECTION 3.02. **Authorization.** The Transactions (a) have been duly authorized by all requisite corporate (or other organizational) and, if required, stockholder (or other equityholder) action and (b) will not (i) violate (A) any provision of material law, statute, rule or regulation, or of the Organizational Documents of Holdings, the Borrower or any Subsidiary, (B) any order of any Governmental Authority or (C) any provision of any material indenture, agreement or other instrument to which Holdings, the Borrower or any Subsidiary is a party or by which any of them or any of their property is or may be bound, (ii) be in conflict with, result in a breach of or constitute (alone or with notice or lapse of time or both) a default under, or give rise to any right to accelerate or to require the prepayment, repurchase or redemption of any obligation under any such material indenture, agreement or other instrument, or (iii) result in the creation or imposition of any Lien upon or with respect to any property or assets now owned or hereafter acquired by Holdings, the Borrower or any Subsidiary (other than any Lien created hereunder or under the Security Documents).

SECTION 3.03. **Enforceability.** This Agreement has been duly executed and delivered by Holdings and the Borrower and constitutes, and each other Loan Document when executed and delivered by the each Loan Party party thereto will constitute, a legal, valid and binding obligation of such Loan Party enforceable against such Loan Party in accordance with its terms, except as such enforceability may

be limited by any Debtor Relief Law and by general principles of equity, regardless of whether considered in a proceeding in equity or in law.

SECTION 3.04. **Governmental Approvals.** No action, consent or approval of, registration or filing with or any other action by any Governmental Authority is or will be required in connection with the Transactions, except for (a) the filing of Uniform Commercial Code financing statements and filings with the United States Patent and Trademark Office and the United States Copyright Office, (b) recordation of the Mortgages and (c) such as have been made or obtained and are in full force and effect

SECTION 3.05. **Financial Statements.** The Borrower has heretofore furnished to the Lenders Holdings's consolidated balance sheets and related consolidated statements of income, stockholder's equity and cash flows (i) as of and for the fiscal years ended February 2, 2013, January 28, 2012 and January 29, 2011, in each case, audited by and accompanied by the opinion of KPMG LLC, independent public accountants, and (ii) as of and for the fiscal quarter ended May 4, 2013, certified by its chief financial officer. Such financial statements present fairly in all material respects the financial condition and results of operations and cash flows of Holdings and its consolidated Subsidiaries as of such dates and for such periods. Such balance sheets and the notes thereto disclose all material liabilities, direct or contingent, of Holdings and its consolidated Subsidiaries as of the dates thereof. Such financial statements were prepared in accordance with GAAP applied on a consistent basis, subject, in the case of unaudited financial statements, to year-end audit adjustments and the absence of footnotes. The Borrower has heretofore delivered to the Lenders its unaudited pro forma consolidated balance sheet and related pro forma statements of income, stockholder's equity and cash flows as of and for the period ended June 29, 2013, prepared giving effect to the Transactions as if they had occurred, with respect to such balance sheet, on such date and, with respect to such income statements, on the first day of the 12-month period ending on such date. Such pro forma financial statements have been prepared in good faith by the Borrower, based on the assumptions that are believed by the Borrower on the Closing Date to be reasonable), accurately reflect all adjustments required to be made to give effect to the Transactions and present fairly in all material respects on a pro forma basis the estimated consolidated financial position of Holdings and its consolidated Subsidiaries as of such date and for such period, assuming that the Transactions had actually occurred at such date or at the beginning of such period, as the case may be.

SECTION 3.06. **No Material Adverse Change.** No event, change or condition has occurred that has had, or could reasonably be expected to have, a material adverse effect on the business, assets, liabilities, operations, condition (financial or otherwise), operating results or prospects of Holdings, the Borrower and the Subsidiaries, taken as a whole, since February 2, 2013.

SECTION 3.07. **Title to Properties; Possession Under Leases.** Each of Holdings, the Borrower and the Subsidiaries has good and marketable title to, or valid leasehold interests in, all its material properties and assets (including all Mortgaged Property), except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties and assets for their intended purposes. All such material properties and assets are free and clear of Liens, other than Liens expressly permitted by Section 6.02. Each of Holdings, the Borrower and the Subsidiaries has complied with all obligations under all material leases to which it is a party and all such leases are in full force and effect. Each of Holdings, the Borrower and the Subsidiaries enjoys peaceful and undisturbed possession under all such material leases.

SECTION 3.08. **Subsidiaries.** Schedule 3.08 sets forth, as of the Closing Date, a list of all Subsidiaries of Holdings and the percentage ownership interest of Holdings, the Borrower or the applicable Subsidiary therein. The Equity Interests so indicated on Schedule 3.08 are fully paid and non-assessable and are owned by Holdings, the Borrower, or the applicable Subsidiary directly or indirectly,

free and clear of all Liens (other than Liens created under the Security Documents and Liens created under the ABL Documents). All Equity Interests of the Borrower are owned by Holdings.

SECTION 3.09. *Litigation; Compliance with Laws.* (a) Except as set forth on Schedule 3.09, there are no investigations, actions, suits or proceedings at law or in equity or by or before any Governmental Authority now pending or, to the knowledge of Holdings or the Borrower, threatened in writing against or affecting Holdings or the Borrower or any Subsidiary or any business, property or rights of any such Person (i) that involve any Loan Document or the Transactions or (ii) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined could reasonably be expected, individually or in the aggregate, to result in, a Material Adverse Effect.

(b) None of Holdings, the Borrower or any of the Subsidiaries or any of their respective material properties or assets is in violation of, nor will the continued operation of their material properties and assets as currently conducted violate, any law, rule or regulation (including any ATF law, rule or regulation or any zoning, building, Environmental Law, ordinance, code or approval or any building permits) or any restrictions of record or agreements affecting the Mortgaged Property, or is in default with respect to any judgment, writ, injunction, decree or order of any Governmental Authority, where such violation or default (individually or in the aggregate with each other violation or default) could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. *Agreements.* (a) None of Holdings, the Borrower or any of the Subsidiaries is a party to any agreement or instrument or subject to any corporate restriction that has resulted or could reasonably be expected to result in a Material Adverse Effect.

(b) None of Holdings, the Borrower or any of the Subsidiaries is in default in any manner under any provision of any indenture or other agreement or instrument evidencing Indebtedness, or any other material agreement or instrument to which it is a party or by which it or any of its properties or assets are or may be bound, where such default has result or could reasonably be expected to result in a Material Adverse Effect.

SECTION 3.11. *Federal Reserve Regulations.* (a) None of Holdings, the Borrower or any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of buying or carrying Margin Stock.

(b) No part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the regulations of the Board, including Regulation T, Regulation U or Regulation X.

SECTION 3.12. *Investment Company Act.* None of Holdings, the Borrower or any Subsidiary is an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.13. *Use of Proceeds.* The Borrower will (a) use the proceeds of the Loans (other than any Incremental Term Loans) only for the purposes specified in the introductory statement to this Agreement and (b) use the proceeds of Incremental Term Loans only for general corporate purposes, including Permitted Acquisitions.

SECTION 3.14. *Tax Returns.* Each of Holdings, the Borrower and the Subsidiaries has filed or caused to be filed all U.S. federal, state, local and foreign Tax returns or materials required by it with any Governmental Authority to have been filed by it and has paid or caused to be paid all material taxes and

assessments due and payable by it, except Taxes that are being contested in good faith by appropriate proceedings and for which Holdings, the Borrower or such Subsidiary, as applicable, shall have set aside on its books adequate reserves.

SECTION 3.15. *No Material Misstatements.* No written information, report, financial statement, exhibit or schedule furnished by or on behalf of Holdings or the Borrower to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or included therein or delivered pursuant thereto contained, contains or will contain any material misstatement of fact or omitted, omits or will omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were, are or will be made, not misleading; *provided* that to the extent any such information, report, financial statement, exhibit or schedule was based upon or constitutes a forecast or projection or other forward-looking information, each of Holdings and the Borrower represents only that it acted in good faith and utilized reasonable assumptions (based upon accounting principles consistent with the historical audited financial statements of Holdings) in the preparation of such information, report, financial statement, exhibit or schedule.

SECTION 3.16. *Employee Benefit Plans.* (a) Each of the Borrower and its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published interpretations thereunder. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events, could reasonably be expected to result in material liability of the Borrower or any of its ERISA Affiliates. The aggregate “amount of unfunded benefit liabilities” (within the meaning of Section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, does not exceed \$1,000,000. As of the most recent valuation date for each Multiemployer Plan, the potential Withdrawal Liability of the Borrower and its ERISA Affiliates for a complete or partial withdrawal from such Multiemployer Plan is zero.

(b) As of the Closing Date, Holdings, the Borrower and each their respective Subsidiaries do not have any Foreign Pension Plans.

SECTION 3.17. *Environmental Matters.* Except as set forth in Schedule 3.17 and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of Holdings, the Borrower or any of the Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.18. *Insurance.* Schedule 3.18 sets forth a true, complete and correct description of all insurance maintained by each of Holdings or the Borrower for itself or for the Subsidiaries as of the date hereof. As of the date hereof, such insurance is in full force and effect and all premiums have been duly paid. Holdings, the Borrower and the Subsidiaries have insurance in such amounts and covering such risks and liabilities as are in accordance with the requirements set forth in Section 5.02(b).

SECTION 3.19. *Security Documents.* (a) The Guarantee and Collateral Agreement, upon execution and delivery thereof by the parties thereto, will create in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral (as defined in the Guarantee and Collateral Agreement) and the proceeds thereof and (i) when the Pledged Collateral (as defined in the Guarantee and Collateral Agreement) is delivered to the Collateral Agent, the Lien created under Guarantee and Collateral Agreement shall constitute a fully perfected first priority (subject to the Intercreditor Agreement) Lien on, and security interest in, all right, title and interest of the Loan Parties in such Pledged Collateral, in each case prior and superior in right to any other Person, and

(ii) control agreements are entered into with respect to any deposit account constituting Collateral, the Lien created under Guarantee and Collateral Agreement shall constitute a fully perfected first priority (subject to the Intercreditor Agreement) Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral, in each case prior and superior in right to any other Person, and (iii) when financing statements in appropriate form are filed in the offices specified on Schedule 3.19(a), the Lien created under the Guarantee and Collateral Agreement will constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral in which a security interest may be perfected by filing such a financing statement, in each case prior and superior in right to any other Person, other than with respect to Liens expressly permitted by Section 6.02.

(b) Upon the recordation of the Guarantee and Collateral Agreement (or a short-form security agreement in form and substance reasonably satisfactory to the Borrower and the Collateral Agent) with the USPTO or the USCO, as applicable, together with the financing statements in appropriate form filed in the offices specified on Schedule 3.19(a), the Lien created under the Guarantee and Collateral Agreement shall constitute a fully perfected Lien on, and security interest in, all right, title and interest of the Loan Parties in the Intellectual Property (as defined in the Guarantee and Collateral Agreement) in which a security interest may be perfected by filing in the United States and its territories and possessions, in each case prior and superior in right to any other Person (it being understood that subsequent recordings in the USPTO and the USCO, as applicable, may be necessary to perfect a Lien on registered trademarks and patents, trademark and patent applications and registered copyrights acquired by the Loan Parties after the date hereof).

SECTION 3.20. Location of Real Property and Leased Premises. (a) Schedule 3.20(a) lists completely and correctly as of the Closing Date all real property owned by the Borrower and the Subsidiaries and the addresses thereof. The Borrower and the Subsidiaries own in fee all the real property set forth on Schedule 3.20(a). Holdings does not own any real property.

(b) Schedule 3.20(b) lists completely and correctly as of the Closing Date all real property leased by the Borrower and the Subsidiaries and the addresses thereof. The Borrower and the Subsidiaries have valid leases in all the real property set forth on Schedule 3.20(b). Holdings does not lease any real property.

SECTION 3.21. Labor Matters. There are no strikes, lockouts or slowdowns against Holdings, the Borrower or any Subsidiary pending or, to the knowledge of Holdings or the Borrower, threatened. The consummation of the Transactions will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which Holdings, the Borrower or any Subsidiary is bound.

SECTION 3.22. Solvency. Holdings and its Subsidiaries, on a consolidated basis, are and immediately after giving effect to the consummation of the Transactions, including the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith and the other transactions contemplated hereby and thereby, and after giving effect to the application of the proceeds of such Indebtedness, including the consummation of the Closing Date Dividend, will be Solvent,

SECTION 3.23. Transaction Documents. Holdings and the Borrower have delivered to the Administrative Agent a complete and correct copy of the ABL Credit Agreement, the ABL Facility Amendment and all other material ABL Documents (in each case, including all schedules, exhibits, amendments, supplements and modifications thereto, but excluding letters under which no material obligations exist other than the payment of fees). As of the Closing Date and after giving effect to the Transactions, no "Default" or "Event of Default" (each as defined in the ABL Credit Agreement) shall have occurred and be continuing.

SECTION 3.24. **Sanctioned Persons.** Neither Holdings, the Borrower nor any of their respective Subsidiaries (i) is a Person whose property or interest in property is blocked or that has been determined to be subject to blocking pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)), (ii) does knowingly engage in any dealings or transactions prohibited by Section 2 of such executive order, or otherwise knowingly associate with any such person in any manner violative of Section 2, and (iii) is a Person on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control of the United States Department of the Treasury on June 24, 2003, as updated from time to time, or the subject of the limitations or prohibitions under any other United States Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") regulation or executive order.

SECTION 3.25. **Foreign Corrupt Practices Act.** Each of Holdings, the Borrower and the Subsidiaries and their respective directors, officers, agents, employees and any Person acting for or on behalf of Holdings, the Borrower or any Subsidiary, has complied with, and will comply with, the U.S. Foreign Corrupt Practices Act, as amended from time to time (the "**FCPA**"), or any other applicable anti-bribery or anti-corruption law, and they have not made, offered, promised or authorized, and will not make, offer, promise or authorize, whether directly or indirectly, any payment of anything of value to a Government Official while knowing or having a reasonable belief that all or some portion will be used for the purpose of: (a) influencing any act, decision or failure to act by a Government Official in his or her official capacity, (b) inducing a Government Official to use his or her influence with a government or instrumentality to affect any act or decision of such government or entity or (c) securing an improper advantage, in each case in order to obtain, retain or direct business.

SECTION 3.26. **USA PATRIOT Act.** Each of Holdings, the Borrower and each Subsidiary is in compliance with the USA PATRIOT Act.

ARTICLE IV

Conditions of Lending

The obligations of the Lenders to make Loans are subject to the satisfaction of the following conditions:

SECTION 4.01. **All Credit Events.** On the date of each Borrowing (other than a conversion or a continuation of a Borrowing), including each Borrowing of Incremental Term Loans (each such event being called a "**Credit Event**"):

(a) The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.03 (or such notice shall have been deemed given in accordance with Section 2.02).

(b) The representations and warranties set forth in Article III and in each other Loan Document shall (i) with respect to representations and warranties that are qualified by materiality or "Material Adverse Effect", be true and correct and (ii) with respect to representations and warranties that are not qualified by materiality or "Material Adverse Effect", be true and correct in all material respects, in each case, on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall (i) with respect to representations and warranties that are qualified by materiality or "Material Adverse Effect", be true and correct and (ii) with respect to representations and warranties that are not qualified by materiality or "Material Adverse Effect", be true and correct in all material respects, in each case, on as of such earlier date.

(c) At the time of and immediately after such Credit Event, no Default or Event of Default shall have occurred and be continuing.

Each Credit Event shall be deemed to constitute a representation and warranty by the Borrower and Holdings on the date of such Credit Event as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

SECTION 4.02. **Additional Conditions Precedent.** On the Closing Date:

(a) The Administrative Agent shall have received, on behalf of itself and the Lenders, a favorable written opinion of (i) Winston & Strawn LLP, counsel for Holdings and the Borrower, in form and substance reasonably satisfactory to the Administrative Agent, and (ii) each local counsel listed on Schedule 4.02(a), in form and substance reasonably satisfactory to the Administrative Agent, in each case (A) dated the Closing Date, (B) addressed to the Administrative Agent and the Lenders and (C) covering such matters relating to the Loan Documents and the Transactions as the Administrative Agent shall reasonably request, and Holdings and the Borrower hereby request such counsel to deliver such opinions.

(b) The Administrative Agent shall have received (i) a copy of the certificate or articles of incorporation or organization, including all amendments thereto, of each Loan Party, certified as of a recent date by the Secretary of State of the state of its organization, and a certificate as to the good standing of each Loan Party as of a recent date, from such Secretary of State; (ii) a certificate of the secretary or assistant secretary of each Loan Party dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the Organizational Documents of such Loan Party as in effect on the Closing Date and at all times since a date prior to the date of the resolutions described in clause (B) below, (B) that attached thereto is a true and complete copy of resolutions duly adopted by the board of directors or similar governing body of such Loan Party authorizing the execution, delivery and performance of the Loan Documents to which such Person is a party and, in the case of the Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect, (C) that the certificate or articles of incorporation or organization of such Loan Party have not been amended since the date of the last amendment thereto shown on the certificate furnished pursuant to clause (i) above, and (D) as to the incumbency and specimen signature of each officer executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party; (iii) a certificate of another Responsible Officer as to the incumbency and specimen signature of the secretary or assistant secretary executing the certificate pursuant to clause (ii) above; and (iv) such other documents as the Lenders or the Administrative Agent may reasonably request.

(c) The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Financial Officer of the Borrower, confirming compliance with the conditions precedent set forth in paragraphs (b) and (c) of Section 4.01 and paragraphs (m) and (n) of Section 4.02.

(d) The Administrative Agent and the Lenders shall have received (or shall receive substantially concurrently with the funding of the Closing Date Term Loans) all Fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

(e) The Security Documents (other than the Mortgages) shall have been duly executed by each Loan Party that is to be a party thereto and shall be in full force and effect on the Closing Date. The Collateral Agent on behalf of the Secured Parties shall have a security interest in the Collateral of the type and priority described in each Security Document. The Collateral Agent shall have received all

certificates evidencing any certificated Equity Interests pledged to the Collateral Agent pursuant to the Guarantee and Collateral Agreement, together with undated stock powers, duly executed in blank.

(f) The Collateral Agent shall have received a Perfection Certificate with respect to the Loan Parties dated the Closing Date and duly executed by a Responsible Officer of Holdings and the Borrower, and shall have received (i) the results of Uniform Commercial Code filing (or equivalent filing) searches, tax and judgment lien searches, bankruptcy and pending lawsuit searches or equivalent reports or searches made with respect to the Loan Parties in the states (or other jurisdictions) of formation of such Persons in each case as indicated on such Perfection Certificate, together with copies of the financing statements (or similar documents) disclosed by such searches, and (ii) evidence reasonably satisfactory to the Collateral Agent that the Liens indicated in any such financing statement (or similar document) would be permitted under Section 6.02 or have been or will be contemporaneously released or terminated.

(g) The Administrative Agent shall have received (i) a public corporate credit rating from S&P and a public corporate family rating from Moody's, in each case, in respect of the Borrower and (ii) a public rating of the Term Facility by each of S&P and Moody's.

(h) The Administrative Agent shall have received a copy of, or a certificate as to coverage under, the insurance policies required by Section 5.02.

(i) The Administrative Agent shall have received, on behalf of itself, a favorable written opinion of Sanli Pastore & Hill, advisors to the Loan Parties, in form and substance reasonably satisfactory to the Administrative Agent, (A) dated the Closing Date, (B) addressed to the Administrative Agent and permitting the Lenders to receive such solvency opinion on an information basis and (C) opining that Holdings and its Subsidiaries, on a consolidated basis, and immediately after giving effect to the consummation of the Transactions, including the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith and the other transactions contemplated hereby and thereby, and after giving effect to the application of the proceeds of such Indebtedness, including the consummation of the Closing Date Dividend, will be Solvent.

(j) (i) The ABL Facility Amendment shall have been duly executed and delivered by each party thereto and shall be in full force and effect, and ABL Credit Agreement and the other ABL Loan Documents, in each case, as amended by the ABL Facility Amendment, shall be in full force and effect, and (ii) the aggregate amount of Commitments under the ABL Credit Agreement shall not exceed \$75,000,000 on the Closing Date.

(k) The Intercreditor Agreement shall have been duly executed by each Loan Party that is to be a party thereto and the ABL Agent and shall be in full force and effect on the Closing Date.

(l) Immediately after giving effect to the Transactions and the other transactions contemplated hereby, Holdings, the Borrower and the Subsidiaries shall have outstanding no Indebtedness or preferred stock, in each case, other than (a) Indebtedness outstanding under this Agreement and the other Loan Documents, (b) Indebtedness outstanding under the ABL Loan Documents and (c) Indebtedness set forth on Schedule 6.01.

(m) The Lenders shall have received the financial statements and opinion referred to in Section 3.05, none of which shall demonstrate a material adverse change in the financial condition of the Borrower from (and shall not otherwise be materially inconsistent with) the financial statements or forecasts previously provided to the Lenders. Since February 2, 2013, there shall not have been any Material Adverse Effect that has occurred and is continuing.

(n) The Administrative Agent shall have received a certificate from the chief financial officer of Holdings and the Borrower certifying that Holdings and its Subsidiaries, on a consolidated basis, are, and immediately after giving effect to the consummation of the Transactions, including the incurrence of all Indebtedness and obligations being incurred in connection herewith and therewith and the other transactions contemplated hereby and thereby, and after giving effect to the application of the proceeds of such Indebtedness, including the consummation of the Closing Date Dividend, will be Solvent.

(o) The Lenders shall be reasonably satisfied in all respects with any tax sharing arrangements among Holdings and its Subsidiaries after giving effect to the Transactions.

(p) All requisite Governmental Authorities and third parties shall have approved or consented to the Transactions and the other transactions contemplated hereby to the extent required (and all such approvals and consents shall be in full force and effect), all applicable appeal periods shall have expired and there shall not be any pending or threatened litigation, governmental, administrative or judicial action that could reasonably be expected to restrain, prevent or impose burdensome conditions on the Transactions or the other transactions contemplated hereby.

(q) The Lenders shall have received, at least five days prior to the Closing Date (or such later date as may be acceptable to the Administrative Agent in its sole discretion), to the extent requested, all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including the USA PATRIOT Act.

(r) The Agreement Among Lenders shall have been duly executed by each Lender that is to be a party thereto and shall be in full force and effect on the Closing Date.

(s) All obligations and indebtedness in respect of the Existing Credit Agreement shall be repaid and satisfied in full (or shall be repaid and satisfied in full on the Closing Date), including, without limitation, the termination of all outstanding commitments in effect under the Existing Credit Agreement, on terms and conditions and pursuant to documentation reasonably satisfactory to the Administrative Agent. All Liens and guarantees in respect of such obligations shall have been terminated and released (or will, on the Closing Date, be terminated and released), and the Administrative Agent shall have received evidence thereof reasonably satisfactory to the Administrative Agent and a "pay-off" letter reasonably satisfactory to the Administrative Agent with respect to such obligations and such UCC termination statements, control agreement terminations and other instruments and documents, in each case in proper form for recording, as the Administrative Agent shall have reasonably requested to release and terminate of record the Liens securing such obligations (or arrangements for such release and termination reasonably satisfactory to the Administrative Agent shall have been made).

ARTICLE V

Affirmative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan, all Fees and all other expenses or amounts payable under any Loan Document shall have been paid in full, each of Holdings and the Borrower will, and will cause each of the Subsidiaries to:

SECTION 5.01. **Existence; Compliance with Laws; Businesses and Properties.** (a) Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence, except as otherwise expressly permitted under Section 6.05.

(b) Do or cause to be done all things necessary to obtain, preserve, renew, extend and keep in full force and effect the rights, licenses (including any ATF licenses), permits, franchises, authorizations, patents, copyrights, trademarks and trade names material to the conduct of its business; maintain and operate such business in substantially the manner in which it is presently conducted and operated; comply in all respects with all applicable laws, rules, regulations and decrees and orders of any Governmental Authority, whether now in effect or hereafter enacted except to the extent failure to comply could not reasonably be expected to result in a Material Adverse Effect; and at all times maintain and preserve all property material to the conduct of such business and keep such property in good repair, working order and condition.

(c) Comply with all Contractual Obligations and Requirements of Law (including, without limitation, ERISA, the USA PATRIOT Act, the FCPA, ATF rules and regulations, OFAC regulations and executive orders and all applicable Environmental Laws), except to the extent that failure to comply therewith (other than in the case of the USA PATRIOT Act or the FCPA, ATF rules and regulations or OFAC regulations or executive orders) could not, in the aggregate, reasonably be expected to result in a Material Adverse Effect

SECTION 5.02. **Insurance.** (a) Keep its insurable properties adequately insured at all times by financially sound and reputable insurers; maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar industry and engaged in the same or similar business activities in the same or similar locations, including public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by it; and maintain such other insurance as may be required by law. The Borrower will furnish to the Lenders, upon the reasonable request of the Administrative Agent, information in reasonable detail as to the insurance so maintained.

(b) Cause all such policies covering any Collateral to be endorsed or otherwise amended to include a customary lender's loss payable endorsement and/or naming the Collateral Agent as additional insured, in form and substance reasonably satisfactory to the Administrative Agent and the Collateral Agent, which endorsement shall provide that, from and after the Closing Date, if the insurance carrier shall have received written notice from the Administrative Agent or the Collateral Agent of the occurrence of an Event of Default, the insurance carrier shall pay all proceeds otherwise payable to the Borrower or the Loan Parties under such policies directly to the Collateral Agent (*provided* that, for so long as the ABL Credit Agreement is in effect, such endorsement will be subject to the rights of the lenders under the ABL Credit Agreement with respect to Collateral other than Term Priority Collateral (as defined in the Intercreditor Agreement)); cause all such policies to provide that neither the Borrower, the Administrative Agent, the Collateral Agent nor any other party shall be a coinsurer thereunder and to contain a "Replacement Cost Endorsement", without any deduction for depreciation, and such other provisions as the Administrative Agent or the Collateral Agent may reasonably require from time to time to protect their interests; deliver copies of all such endorsements or amendments (or other evidence thereof as may be reasonably satisfactory to the Collateral Agent) (together with certificates evidencing such policies) to the Collateral Agent; to the extent available on commercially reasonable terms, cause each such policy to provide that it shall not be canceled, modified or not renewed (i) by reason of nonpayment of premium upon not less than 10 days' prior written notice thereof by the insurer to the Administrative Agent and the Collateral Agent (giving the Administrative Agent and the Collateral Agent the right to cure defaults in the payment of premiums) or (ii) for any other reason upon not less than 30 days' prior written notice thereof by the insurer to the Administrative Agent and the Collateral Agent; deliver to the Administrative Agent and the Collateral Agent, prior to the cancellation, modification or nonrenewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Administrative Agent and the Collateral Agent)

together with evidence reasonably satisfactory to the Administrative Agent and the Collateral Agent of payment of the premium therefor.

(c) If at any time the area in which any portion of the Mortgaged Properties is located in an area designated as (i) a “flood hazard area” by the Federal Emergency Management Agency (or any successor agency) and for which flood insurance has been made available under the National Flood Insurance Act of 1968 (or any amendment or successor act thereto, obtain and maintain flood insurance in such total amount sufficient to comply with the National Flood Insurance Act of 1968, as amended, or (ii) a “Zone 1” area, obtain earthquake insurance in such total amount as the Administrative Agent, the Collateral Agent or the Required Lenders may from time to time require.

(d) With respect to any Mortgaged Property, carry and maintain comprehensive general liability insurance including the “broad form CGL endorsement” and coverage on an occurrence basis against claims made for personal injury (including bodily injury, death and property damage) and umbrella liability insurance against any and all claims, in no event for a combined single limit of less than that which is customary for companies in the same or similar businesses operating in the same or similar locations, naming the Collateral Agent as an additional insured, on forms reasonably satisfactory to the Collateral Agent.

(e) Notify the Administrative Agent and the Collateral Agent promptly whenever any separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Section 5.02 is taken out by any Loan Party; and promptly deliver to the Administrative Agent and the Collateral Agent a copy of such policy or policies (or other evidence thereof as may be reasonably satisfactory to the Collateral Agent) (together with a certificate or certificates evidencing the same).

SECTION 5.03. *Obligations and Taxes.* Pay its Material Indebtedness and other obligations promptly and in accordance with their terms and pay and discharge promptly when due all material taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property, before the same shall become delinquent or in default; *provided, however*, that such payment and discharge shall not be required with respect to any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and Holdings, the Borrower or such Subsidiary, as applicable, shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP and such contest operates to suspend collection of the contested obligation, tax, assessment or charge and enforcement of a Lien and, in the case of a Mortgaged Property, there is no risk of forfeiture of such property.

SECTION 5.04. *Financial Statements, Reports, etc.* Furnish to the Administrative Agent for distribution to each Lender:

(a) within 90 days after the end of each fiscal year, its consolidated balance sheet and related statements of income, stockholders’ equity and cash flows showing the financial condition of Holdings and its consolidated Subsidiaries as of the close of such fiscal year and the results of its operations and the operations of such Subsidiaries during such year, together with comparative figures for the immediately preceding fiscal year, all audited by KPMG LLP or other independent public accountants of recognized national standing and accompanied by an opinion of such accountants (which opinion shall not include (i) an explanatory paragraph expressing substantial doubt about the ability of Holdings and its consolidated Subsidiaries to continue as a “going concern” or (ii) any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements fairly present in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, together with a customary “management discussion and analysis” report;

(b) within 45 days after the end of each of the first three fiscal quarters of each fiscal year, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings and its consolidated Subsidiaries as of the close of such fiscal quarter and the results of its operations and the operations of such Subsidiaries during such fiscal quarter and the then elapsed portion of the fiscal year, comparative figures for the same periods in the immediately preceding fiscal year, all certified by one of its Financial Officers as fairly presenting in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes, together with a customary "management discussion and analysis" report;

(c) within 30 days after the end of each of the first two fiscal months of each fiscal quarter, its consolidated balance sheet and related statements of income, stockholders' equity and cash flows showing the financial condition of Holdings and its consolidated Subsidiaries as of the close of such fiscal month and the results of its operations and the operations of such Subsidiaries during such fiscal month and the then elapsed portion of the fiscal year, comparative figures for the same periods in the immediately preceding fiscal year, all certified by one of its Financial Officers as fairly presenting in all material respects the financial condition and results of operations of the Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes;

(d) concurrently with any delivery of financial statements under paragraph (a) or (b) above, a Compliance Certificate (i) certifying that no Event of Default or Default has occurred or, if such an Event of Default or Default has occurred, specifying the nature and extent thereof and any corrective action taken or proposed to be taken with respect thereto and (ii) setting forth computations in reasonable detail satisfactory to the Administrative Agent demonstrating compliance with the Financial Covenants and, in the case of a Compliance Certificate delivered with the financial statements required by paragraph (a) above (commencing with the financial statements for the first full fiscal year commencing after the Closing Date), setting forth the Borrower's calculation of Excess Cash Flow and the Available Amount for the fiscal year covered by such statements;

(e) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such statements (which certificate may be limited to accounting matters and disclaim responsibility for legal interpretations) certifying that as of the last day of the immediately preceding fiscal year no Event of Default or Default has occurred with respect to the Financial Covenants or, if such an Event of Default or Default has occurred, specifying the extent thereof.

(f) not later than the date that is 30 days prior to the last day of each fiscal year of Holdings, a detailed consolidated budget for such fiscal year (including a projected consolidated balance sheet and related statements of projected operations and cash flows as of the end of and for the immediately following fiscal year on a monthly basis and setting forth the assumptions used for purposes of preparing such budget) and, promptly when available, any significant revisions of such budget;

(g) promptly after the same become publicly available, copies of all periodic and other reports, proxy statements and other materials, if any, filed by Holdings, the Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of the Securities and Exchange Commission, or with any national securities exchange, as the case may be;

(h) promptly after the receipt thereof by Holdings or the Borrower or any of their respective Subsidiaries, a copy of any “management letter” received by any such Person from its certified public accountants and the management’s response thereto;

(i) promptly after the request by any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA PATRIOT Act;

(j) promptly after the delivery thereof to the administrative agent and/or the collateral agent under the ABL Credit Agreement, copies of each Borrowing Base Certificate (as defined in the ABL Credit Agreement) with respect to each fiscal month of Holdings;

(k) on a weekly basis, a comparison of same-store sales results (on an aggregate basis) for Stores that have been open for at least one year;

(l) promptly after the receipt thereof by Holdings or the Borrower or any of their respective Subsidiaries, a copy of any material notices received with respect to the ABL Credit Agreement; and

(m) promptly, from time to time, such other information regarding the operations, business affairs and financial condition of Holdings, the Borrower or any Subsidiary, or compliance with the terms of any Loan Document, as the Administrative Agent or any Lender (through the Administrative Agent) may reasonably request.

SECTION 5.05. *Litigation and Other Notices.* Furnish to the Administrative Agent for distribution to each Lender prompt written notice of the following:

(a) any Event of Default or Default, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto;

(b) the filing or commencement of or any threat or notice of intention of any Person to file or commence, any action, suit or proceeding, whether at law or in equity or by or before any Governmental Authority, against the Borrower or any Affiliate thereof that could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower and the Subsidiaries in an aggregate amount exceeding \$2,500,000, together with a description of such ERISA Event and the actions (if any) the Borrower or such Subsidiary proposes to take with respect thereto;

(d) any development that has resulted in, or could reasonably be expected to result in, a Material Adverse Effect

(e) any “Event of Default” or “Default” under and as defined in the ABL Credit Agreement, specifying the nature and extent thereof and the corrective action (if any) taken or proposed to be taken with respect thereto; and

(f) any downward change in the Borrower’s corporate credit rating by S&P, in the Borrower’s corporate family rating by Moody’s or in the ratings of the Term Facility by S&P or Moody’s, or any notice from either such agency indicating its intent to effect such a change or to place the Borrower or the Term Facility on a “CreditWatch” or “WatchList” or any similar list, in each case with negative implications, or its cessation of, or its intent to cease, rating the Borrower or the Term Facility.

SECTION 5.06. Information Regarding Collateral. (a) Furnish to the Administrative Agent prompt written notice of any change (i) in any Loan Party's corporate name, (ii) in the jurisdiction of organization or formation of any Loan Party, (iii) in any Loan Party's identity or type of organization or organizational structure or (iv) in any Loan Party's Federal Taxpayer Identification Number or organizational identification number. Holdings and the Borrower agree not to effect or permit any change referred to in the preceding sentence unless all filings have been delivered to the Collateral Agent (and Collateral Agent has confirmed receipt thereof) or made, under the Uniform Commercial Code or otherwise, that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. If requested by the Administrative Agent, Holdings and the Borrower agree to promptly provide the Collateral Agent with certified copies of organizational documents reflecting any of the changes described in the preceding sentence. Holdings and the Borrower also agree promptly to notify the Administrative Agent if any material portion of the Collateral is damaged or destroyed.

(b) In the case of the Borrower, each year, at the time of delivery of the annual financial statements with respect to the preceding fiscal year pursuant to Section 5.04(a), deliver to the Administrative Agent a certificate of a Financial Officer setting forth the information required pursuant to the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered on the Closing Date or the date of the most recent certificate delivered pursuant to this Section 5.06(b).

SECTION 5.07. Maintaining Records; Access to Properties and Inspections; Maintenance of Ratings; Lender Meetings. (a) Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all requirements of law are made of all dealings and transactions in relation to its business and assets. Each Loan Party will, and will cause each of its Subsidiaries to, permit any representatives designated by the Administrative Agent (for itself and on behalf of the Lenders) or any Lender to visit and inspect the financial records and the properties of such Person at reasonable times and as often as reasonably requested and to make extracts from and copies of such financial records, and permit any representatives designated by the Administrative Agent or any Lender to discuss the affairs, finances and condition of such Person with the officers thereof and independent accountants therefor; *provided that*, excluding any such visits while an Event of Default has occurred and is continuing, such visits and inspections by the Administrative Agent or any Lender shall not exceed two times per fiscal year (in the aggregate for the Administrative Agent and the Lenders) and shall be made during normal business hours and upon reasonable prior notice; *provided, further*, that upon the occurrence and during the continuance of an Event of Default, the Administrative Agent or any Lender may do any of the foregoing at the expense of the Borrower at any time without advance notice.

(b) In the case of Holdings and the Borrower, use commercially reasonable efforts to cause the Term Facility to be continuously publicly rated by S&P and Moody's, and in the case of the Borrower, use commercially reasonable efforts to maintain a public corporate credit rating from S&P and a public corporate family rating from Moody's, in each case in respect of the Borrower.

(c) Within (i) 125 days after the end of each fiscal year of Holdings and (ii) within 60 days after the end of each fiscal quarter of Holdings (other than the fourth fiscal quarter of a fiscal year), at the request of the Administrative Agent or the Required Lenders, hold a meeting (by conference call, unless otherwise requested by the Administrative Agent, in which case it will be held at a mutually agreeable location, venue and time, the costs of such venue or call to be paid by the Borrower) with all Lenders who choose to attend such meeting, at which meeting shall be reviewed the financial results of the previous fiscal year and the financial condition of Holdings and its Subsidiaries and the budgets presented for the current fiscal year of Holdings and its Subsidiaries.

SECTION 5.08. Use of Proceeds. (a) Use the proceeds of the Loans (other than Incremental Term Loans) only for the purposes specified in the introductory statement to this Agreement, and use the proceeds of Incremental Term Loans only for general corporate purposes, including Permitted Acquisitions, and (b) ensure that no part of the proceeds of any Loan will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that entails a violation of, or that is inconsistent with, the provisions of the Regulations of the Board, including Regulation T, Regulation U or Regulation X.

SECTION 5.09. Employee Benefits. (a) Comply in all material respects with the applicable provisions of ERISA and the Code and the laws applicable to any Foreign Pension Plan and (b) furnish to the Administrative Agent as soon as possible after, and in any event within ten days after any responsible officer of Holdings, the Borrower or any ERISA Affiliate knows or has reason to know that, any ERISA Event has occurred that, alone or together with any other ERISA Event could reasonably be expected to result in liability of Holdings, the Borrower or any ERISA Affiliate in an aggregate amount exceeding \$2,500,000, a statement of a Financial Officer of Holdings or the Borrower setting forth details as to such ERISA Event and the action, if any, that Holdings or the Borrower proposes to take with respect thereto.

SECTION 5.10. Compliance with Environmental Laws. Comply, and cause all lessees, sublessees and other Persons occupying its properties to comply, in all material respects with all Environmental Laws applicable to its operations and properties; obtain and renew all environmental permits necessary for its operations and properties, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect; and conduct any remedial action required in accordance with Environmental Laws; *provided, however*, that none of Holdings, the Borrower or any Subsidiary shall be required to undertake any remedial action required by Environmental Laws to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP.

SECTION 5.11. Preparation of Environmental Reports. If a Default caused by reason of a breach of Section 3.17 or Section 5.10 shall have occurred and be continuing for more than 20 days without Holdings, the Borrower or any Subsidiary commencing activities reasonably likely to cure such Default, at the written request of the Required Lenders through the Administrative Agent, provide to the Lenders within 45 days (or such longer period as permitted by the Administrative Agent in its sole discretion) after receipt of such request, at the expense of the Loan Parties, an environmental site assessment report regarding the matters which are the subject of such Default prepared by an environmental consulting firm reasonably acceptable to the Administrative Agent and indicating the presence or absence of Hazardous Materials and the estimated cost of any compliance or remedial action in connection with such Default.

SECTION 5.12. Further Assurances. Execute any and all further documents, financing statements, agreements and instruments, and take all further action (including filing Uniform Commercial Code and other financing statements, mortgages and deeds of trust) that may be required under applicable law, or that the Required Lenders, the Administrative Agent or the Collateral Agent may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant, preserve, protect and perfect the validity and priority of the security interests created or intended to be created by the Security Documents and the Intercreditor Agreement; *provided* that (a) with respect to any CFC, 100% of the non-voting Equity Interests (if any) shall be required to be pledged by the Loan Parties (or such lesser amount that is owned by any Loan Party) and 65% of the voting Equity Interests of such CFC (to the extent owned directly by any Loan Party) shall be required to be pledged, (b) leasehold mortgages shall not be required to be delivered with respect to any leasehold interests of the Loan Parties and (c) Mortgages shall not be required to be delivered with respect to any fee interest in real property having a fair market value not exceeding \$1,000,000 (or if the subject property is already mortgaged to a

third party to the extent permitted by Section 6.02, in which case such Mortgage shall be required within 30 days after such third party's mortgage is terminated). If the ABL Agent or any lender under the ABL Credit Agreement receives any additional collateral, guaranty or other credit enhancement of any type after the date hereof, the Borrower will cause the same to be granted to the Collateral Agent for the benefit of the Secured Parties (in accordance with the Intercreditor Agreement). The Borrower will cause any subsequently acquired or organized Subsidiary (other than a CFC) that is a Wholly Owned Subsidiary to become a Loan Party by executing the Guarantee and Collateral Agreement and each applicable Security Document in favor of the Collateral Agent within 10 Business Days of such acquisition or organization (or such longer period as the Administrative Agent shall agree). In addition, from time to time, but subject to the limitations set forth in the Security Documents, the Borrower will, at its cost and expense, promptly secure the Obligations by pledging or creating, or causing to be pledged or created, perfected security interests with respect to such of its assets and properties (other than Excluded Assets) as the Administrative Agent or the Required Lenders shall designate (it being understood that it is the intent of the parties that the Obligations shall be secured by substantially all the assets of Holdings, the Borrower and the Domestic Subsidiaries, in each case, other than Excluded Assets). Such security interests and Liens will be created under the Security Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance reasonably satisfactory to the Collateral Agent, and the Borrower shall deliver or cause to be delivered to the Lenders all such instruments and documents (including legal opinions, title insurance policies and lien searches) as the Collateral Agent shall reasonably request to evidence compliance with this Section 5.12, including with respect to real property, Mortgages, legal opinions, title insurance policies, surveys, and any other items required to be delivered with respect to the Mortgaged Properties pursuant to Section 5.13. The Borrower agrees to provide such evidence as the Collateral Agent shall reasonably request as to the perfection and priority status of each such security interest and Lien. In furtherance of the foregoing, the Borrower will give prompt notice to the Administrative Agent of the acquisition by it or any of the Subsidiaries of any fee interest in real property having a value in excess of \$1,000,000.

SECTION 5.13. *Real Property Collateral.* As promptly as practicable, and in any event, not later than 30 days after the date of acquisition (or such later date as the Administrative Agent shall agree) of any fee interest in real property having a value (together with improvements thereof) in excess of \$1,000,000 (unless, in each case, the subject property is already mortgaged to a third party to the extent permitted by Section 6.02, in which case compliance with the provisions of this Section 5.13 with respect to such real property shall be required within 30 days after such third party's mortgage is terminated), (i) execute and deliver a Mortgage, in favor of the Administrative Agent, for the benefit of the Secured Parties, covering such real property, which Mortgage shall be first priority subject to any prior Liens permitted under Section 6.02, (ii) if requested by the Administrative Agent, provide the Lenders with (x) title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Administrative Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate, and (y) any consents or estoppels reasonably deemed necessary or advisable by the Administrative Agent in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent, (iii) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent and (iv) if any improvement on such real property is in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then (x) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (y) deliver to the Administrative

Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent.

SECTION 5.14. **Post-Closing Actions.** Notwithstanding anything to the contrary contained in this Agreement or the other Loan Documents, the parties hereto acknowledge and agree that the Borrower and Holdings shall take, or cause their respective Subsidiaries to take, as applicable, the actions specified in Schedule 5.14 attached hereto within the time periods set forth in Schedule 5.14. The provisions of Schedule 5.14 shall be deemed incorporated by reference herein as fully as if set forth herein in its entirety.

ARTICLE VI

Negative Covenants

Each of Holdings and the Borrower covenants and agrees with each Lender that, so long as this Agreement shall remain in effect and until the Commitments have been terminated and the principal of and interest on each Loan and all Fees and all other expenses or amounts payable under any Loan Document have been paid in full (other than contingent obligations that survive termination of the Loan Documents for which no claim has been made) neither Holdings nor the Borrower will, nor will they cause or permit any of the Subsidiaries to:

SECTION 6.01. **Indebtedness.** Incur, create, assume or permit to exist any Indebtedness, except:

- (a) Indebtedness existing on the date hereof and set forth in Schedule 6.01 (and Permitted Refinancing Indebtedness in respect thereof);
- (b) Indebtedness created hereunder and under the other Loan Documents;
- (c) (x) intercompany Indebtedness of the Borrower and the Subsidiaries to the extent permitted by Section 6.04(c), so long as any such Indebtedness constituting an obligation of a Loan Party is subordinated to the Obligations pursuant to an Affiliate Subordination Agreement and (y) Guarantees by a Loan Party of Indebtedness of another Loan Party;
- (d) Indebtedness of the Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any fixed or capital assets, and Permitted Refinancing Indebtedness in respect thereof; *provided* that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this Section 6.01(d), when combined with the aggregate principal amount of all Capital Lease Obligations incurred pursuant to Section 6.01(e) shall not exceed \$15,000,000 at any time outstanding;
- (e) Capital Lease Obligations (and any Permitted Refinancings thereof) in an aggregate principal amount, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to Section 6.01(d), not in excess of \$5,000,000 at any time outstanding;
- (f) Indebtedness under performance bonds or with respect to workers' compensation claims, in each case incurred in the ordinary course of business;
- (g) Indebtedness of Holdings and its Subsidiaries incurred under the ABL Documents (and Permitted Refinancing Indebtedness in respect thereof) in an aggregate principal amount, with respect to loans, advances and outstanding letters of credit, not to exceed \$75,000,000 at any

time outstanding; *provided* that, after the Closing Date, Holdings and its Subsidiaries shall be permitted to incur additional Indebtedness under the ABL Documents in an aggregate principal amount, with respect to loans, advances and outstanding letters of credit, not to exceed \$30,000,000, so long as, both before and immediately after giving effect to any increase in the commitments under the ABL Facilities such that the aggregate principal amount of commitments under the ABL Facility exceeds \$105,000,000 (and assuming any such additional commitments or loans made thereunder are fully funded on such date), the Borrower would be in compliance with Section 6.11 on a Pro Forma Basis (assuming that the maximum Total Net Leverage Ratio permitted at the time by Section 6.11 was in fact 15.0% less than the ratio actually provided for in such Section at such time as of the most recently completed period of four consecutive fiscal quarters ending prior to such transaction for which Section 5.04 Financials have been delivered (by way of illustration, if the Total Net Leverage Ratio permitted at such time by Section 6.11 is 2.50 : 1.00, Holdings and its Subsidiaries shall be permitted to incur such additional Indebtedness so long as the Total Net Leverage Ratio does not exceed 2.125 : 1.00 on a Pro Forma Basis both before and immediately after giving effect to such increase (and assuming any such additional commitments or loans are fully funded on such date)); and

(h) (i) Indebtedness of any Person that becomes a Subsidiary after the date hereof); provided that (x) such Indebtedness exists at the time such Person becomes a Subsidiary and is not created in contemplation of or in connection with such Person becoming a Subsidiary and (y) immediately before and after such Person becomes a Subsidiary, no Default or Event of Default shall have occurred and be continuing and (iii) Permitted Refinancing Indebtedness in respect thereof;

(i) Indebtedness in respect of those Hedging Agreements incurred in the ordinary course of business, consistent with prudent business practice and not for speculative purposes;

(j) other Indebtedness of the Borrower or the Subsidiaries in an aggregate principal amount not exceeding \$10,000,000 at any time outstanding;

(k) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(l) Indebtedness incurred in the ordinary course of business in connection with the financing of insurance premiums;

(m) Indebtedness consisting of promissory notes issued by any Loan Party to current or former officers, directors and employees (or their estates, spouses or former spouses) of any Loan Party or any Subsidiary to purchase or redeem Equity Interests of Holdings purchased or redeemed pursuant to Section 6.06(a);

(n) Indebtedness incurred in the ordinary course of business in connection with cash pooling arrangements, cash management and other similar arrangements consisting of netting arrangements and overdraft protections incurred in the ordinary course of business;

(o) Indebtedness consisting of debt owing to a seller incurred in connection with a Permitted Acquisition (whether in the form of an "earn out" or otherwise); *provided* that such Indebtedness is subordinated to the Obligations in a manner reasonably satisfactory to the Administrative Agent;

(p) Indebtedness representing any taxes, assessments or governmental charges so long as (x) the validity or amount thereof shall be contested in good faith by appropriate proceedings, (y) the Borrower shall have set aside on its books adequate reserves with respect thereto in accordance with GAAP, and (x) such contest operates to suspend collection of the contested obligation, tax, assessment or charge and enforcement of a Lien; and

(q) Contingent liabilities under surety bonds or similar instruments incurred in the ordinary course of business in connection with the construction or improvement of Stores.

SECTION 6.02. **Liens.** Create, incur, assume or permit to exist any Lien on any property or assets (including Equity Interests or other securities of any Person, including the Borrower or any Subsidiary) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(a) Liens on property or assets of the Borrower and its Subsidiaries existing on the date hereof and set forth in Schedule 6.02; *provided* that such Liens shall secure only those obligations which they secure on the date hereof and any Permitted Refinancing Indebtedness in respect thereof;

(b) any Lien created under the Loan Documents;

(c) any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or assets of any Person that becomes a Subsidiary after the date hereof prior to the time such Person becomes a Subsidiary, as the case may be; *provided* that (i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, (ii) such Lien does not apply to any other property or assets of Holdings, the Borrower or any Subsidiary and (iii) such Lien secures only those obligations which it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be (or Permitted Refinancing Indebtedness in respect thereof;

(d) Liens for taxes, assessments or governmental charges or levies not yet due or which are being contested in compliance with Section 5.03;

(e) carriers', warehousemen's, landlord's, supplier's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business and securing obligations that are not due and payable or which are being contested in compliance with Section 5.03;

(f) pledges and deposits made in the ordinary course of business in compliance with workmen's compensation, unemployment insurance and other social security laws or regulations;

(g) deposits to secure the performance of bids, trade contracts (other than for Indebtedness), leases (other than Capital Lease Obligations), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h) zoning restrictions, easements, rights-of-way, restrictions on use of real property and other similar minor title encumbrances incurred in the ordinary course of business which are non-monetary Liens and, in the aggregate, do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Borrower or any of its Subsidiaries;

(i) purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Borrower or any Subsidiary; *provided* that (i) such security interests secure Indebtedness permitted by clause (d) or (e) of Section 6.01, (ii) such security interests are incurred, and the Indebtedness secured thereby is created, within 90 days after such acquisition (or construction), (iii) the Indebtedness secured thereby does not exceed the lesser of the cost or the fair market value of such real property, improvements or equipment at the time of such acquisition (or construction) and (iv) such security interests do not apply to any other property or assets of Holdings, the Borrower or any Subsidiary;

(j) judgment Liens securing judgments not constituting an Event of Default under Section 7.01;

(k) other Liens securing liabilities otherwise permitted hereunder in an aggregate amount not to exceed \$10,000,000 at any time outstanding; and

(l) Liens on Collateral securing Indebtedness permitted under clause (g) of Section 6.01, to the extent such Liens comply with the Intercreditor Agreement; *provided* that any such Liens on any Term Priority Collateral (as defined in the Intercreditor Agreement) are junior to the Liens on the Term Priority Collateral (as defined in the Intercreditor Agreement) securing the Obligations;

(m) Liens securing Indebtedness under Section 6.01(h); *provided* that such Liens exist at the time the Person that is the obligor thereof became a Subsidiary and were not incurred in contemplation of or in connection with such Person becoming a Subsidiary and relate solely to the assets of such Person that has become a Subsidiary;

(n) Liens arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers;

(o) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Permitted Investments on deposit in one or more accounts, in each case, granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts and netting arrangements;

(p) licenses and sublicenses of Intellectual Property granted in the ordinary course of business and not interfering in any material respect with the ordinary conduct of business of the Loan Parties;

(q) Liens in favor of customs and revenue authorities which secure payment of customs duties in connection with the importation of goods; and

(r) Liens arising from precautionary Uniform Commercial Code financing statements filed under any lease or consignment of goods and not otherwise prohibited by this Agreement.

SECTION 6.03. **Anti-Layering.** Create or incur any Indebtedness (other than the Obligations) that is subordinated or junior in right of payment to any other Indebtedness of the Loan Parties, unless such Indebtedness is also subordinated or junior in right of payment, in the same manner and to the same extent, to the Obligations.

SECTION 6.04. **Investments, Loans and Advances.** Purchase, hold or acquire any Investment, except:

(a) (i) Investments by Holdings, the Borrower and the Subsidiaries existing on the date hereof in the Equity Interests of the Borrower and the Subsidiaries and (ii) additional Investments by Holdings, the Borrower and the Subsidiaries in the Equity Interests of the Borrower and the Subsidiary Guarantors; *provided* that any such Equity Interests held by a Loan Party shall be pledged pursuant to the Guarantee and Collateral Agreement (subject to the limitations applicable to voting stock of CFCs and Excluded Assets referred to therein);

(b) cash and Permitted Investments;

(c) loans or advances made by the Borrower to any Subsidiary and made by any Subsidiary to Holdings, the Borrower or any other Subsidiary; *provided* that (i) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to the Guarantee and Collateral Agreement, (ii) such loans and advances shall be unsecured and subordinated to the Obligations (to the extent constituting an obligation of a Loan Party) pursuant to an Affiliate Subordination Agreement, and (iii) the amount of such loans and advances made by Loan Parties to Subsidiaries that are not Loan Parties shall be subject to the limitation set forth in clause (a) above;

(d) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(e) the Borrower and the Subsidiaries may make loans and advances in the ordinary course of business to their respective directors, officers and employees so long as the aggregate principal amount thereof at any time outstanding (determined without regard to any write-downs or write-offs of such loans and advances) shall not exceed \$2,000,000;

(f) the Borrower and the Subsidiaries may enter into Hedging Agreements permitted by Section 6.01(i);

(g) the Borrower or any Subsidiary may acquire all or substantially all the assets of a Person or line of business of such Person, or not less than 100% of the Equity Interests (other than directors' qualifying shares) of a Person (referred to herein as the "**Acquired Entity**"); *provided* that (i) such acquisition was not preceded by an unsolicited tender offer for such Equity Interests by, or proxy contest initiated by, Holdings, the Borrower or any Subsidiary, and the board of directors (or similar governing body) of such Person shall not have indicated publicly its opposition to the consummation of such proposed acquisition; (ii) the Acquired Entity shall be in a line of business permitted under Section 6.08; and (iii) at the time of such transaction (A) both before and immediately after giving effect thereto, no Default or Event of Default shall have occurred and be continuing; (B) both before and immediately after giving effect thereto, the Borrower would be in compliance with the Financial Covenants on a Pro Forma Basis (assuming, for purposes of compliance with Section 6.11, that the maximum Total Net Leverage Ratio permitted at the time by such Section was in fact 0.25 to 1.00 less than the ratio actually provided for in such Section at such time) as of the most recently completed period of four consecutive fiscal quarters ending prior to such transaction for which Section 5.04 Financials have been delivered; (C) the total consideration paid in connection with such acquisition and any other acquisitions pursuant to this Section 6.04(g) (including any Indebtedness of the Acquired Entity

that is assumed by the Borrower or any Subsidiary following such acquisition and any payments following such acquisition pursuant to earn-out provisions or similar obligations) shall not in the aggregate exceed (i) (x) \$100,000,000 or (y) \$10,000,000 with respect to any such acquisition where any of the Persons acquired (directly or indirectly) are not required to become Guarantors under Section 5.12 or where substantially all of the assets acquired (in the case of a purchase of assets other than Equity Interests), directly or indirectly, are not pledged as Collateral pursuant to Section 5.12; (E) at least 2 Business Days prior to such acquisition (or such later date as permitted by the Administrative Agent), the Borrower shall have delivered a certificate of a Financial Officer, certifying as to compliance with the foregoing clauses (A) through (D) and containing reasonably detailed calculations in support thereof, in form and substance satisfactory to the Administrative Agent, and, if the total consideration paid in connection with such acquisition (including any Indebtedness of the Acquired Entity that is assumed by the Borrower or any Subsidiary following such acquisition and any payments following such acquisition pursuant to earn-out provisions or similar obligations) exceeds \$10,000,000, attaching a copy of the applicable acquisition agreement and (F) the Borrower shall comply, and shall cause the Acquired Entity to comply, with the applicable provisions of Section 5.12 and the Security Documents (any acquisition of an Acquired Entity meeting all the criteria of this Section 6.04(g) being referred to herein as a **“Permitted Acquisition”**);

(h) Investments by the Borrower in Hedging Agreements permitted under Section 6.01(i);

(i) to the extent constituting Investments, transactions permitted under Section 6.05(a) among the Loan Parties and their Subsidiaries; and

(j) in addition to Investments permitted by paragraphs (a) through (g) above, additional Investments by the Borrower and the Subsidiaries so long as the aggregate amount of such Investments (calculated based on the fair market value of each such Investment as of the date of the making of such Investment) pursuant to this paragraph (h) (determined without regard to any write-downs or write-offs of such Investments) does not exceed (x) \$15,000,000 plus (v) the Available Amount at such time, in the aggregate; provided that (x) both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, (y) both before and immediately after giving effect thereto, the Borrower would be in compliance with the Financial Covenants on a Pro Forma Basis for the most recent Calculation Period for which Section 5.04 Financials have been delivered and (z) with respect to any Investment in an amount in excess of \$10,000,000, at least 2 Business Days prior to the making of such Investment (or such later date as permitted by the Administrative Agent), the Borrower shall have delivered a certificate of a Financial Officer, certifying as to compliance with this paragraph (i) and as to the Available Amount and containing reasonably detailed calculations in support thereof, in form and substance satisfactory to the Administrative Agent.

SECTION 6.05. Mergers, Consolidations, Sales of Assets and Acquisitions. (a) Merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or sell, transfer, lease or otherwise dispose of (in one transaction or in a series of transactions) all or substantially all the assets (whether now owned or hereafter acquired) of the Borrower or less than all the Equity Interests of any Subsidiary, or purchase, lease or otherwise acquire (in one transaction or a series of transactions) all or substantially all of the assets of any other Person, except that (i) the Borrower and any Subsidiary may purchase and sell inventory and grant licenses and sublicenses of Intellectual Property that do not interfere in any material respect with the ordinary conduct of business of the Loan Parties and their Subsidiaries, in each case, in the ordinary course of business, (ii) if at the time thereof and immediately after giving effect thereto no Event of Default or Default shall have occurred and be continuing (x) any Wholly Owned Subsidiary may merge into the Borrower in a transaction in which the

Borrower is the surviving corporation, (y) any Wholly Owned Subsidiary (other than the Borrower) may merge into or consolidate with any other Wholly Owned Subsidiary (other than the Borrower) in a transaction in which the surviving entity is a Wholly Owned Subsidiary and no Person other than the Borrower or a Wholly Owned Subsidiary receives any consideration (provided that if any party to any such transaction is a Loan Party, the surviving entity of such transaction shall be a Loan Party) and (z) the Borrower and the Subsidiaries may make Permitted Acquisitions, (iii) any Subsidiary (other than the Borrower) may dissolve, liquidate or wind up its affairs at any time if the assets of such Subsidiary are transferred to a Loan Party or, in the case of the dissolution, liquidation or winding up of a Subsidiary that is not a Loan Party, to a Loan Party or any other Subsidiary and (iv) the Borrower or any of its Subsidiaries may sell, transfer, lease or otherwise dispose of all or substantially all of their assets to the Borrower or a Subsidiary thereof; *provided* that in the case of any such sale, transfer, lease or other disposition by a Loan Party, the Person to which such sale, transfer, lease or other disposition is made shall be the Borrower or a Wholly Owned Subsidiary of the Borrower that is a Loan Party.

(b) Make any Asset Sale otherwise permitted under paragraph (a) above unless (i) such Asset Sale is for consideration at least 85% of which is cash, (ii) such consideration is at least equal to the fair market value of the assets being sold, transferred, leased or disposed of and (iii) the fair market value of all assets sold, transferred, leased or disposed of pursuant to this paragraph (b) shall not exceed (i) \$20,000,000 in any fiscal year or (ii) \$80,000,000 in the aggregate.

SECTION 6.06. *Restricted Payments; Restrictive Agreements.* (a) Declare or make, or agree to declare or make, directly or indirectly, any Restricted Payment (including pursuant to any Synthetic Purchase Agreement), or incur any obligation (contingent or otherwise) to do so; *provided, however*, that (i) Holdings and the Borrower may declare and pay the Closing Date Dividend, (ii) the Borrower or any Subsidiary may declare and pay dividends or make other distributions ratably to its equity holders, (iii) so long as no Event of Default or Default shall have occurred and be continuing or would result therefrom, the Borrower may, or the Borrower may make distributions to Holdings so that Holdings may (and Holdings may) repurchase its Equity Interests owned by employees of Holdings, the Borrower or the Subsidiaries or make payments to employees of Holdings, the Borrower or the Subsidiaries upon termination of employment in connection with the exercise of stock options, stock appreciation rights or similar equity incentives or equity based incentives pursuant to management incentive plans or in connection with the death or disability of such employees in an aggregate amount not to exceed \$2,000,000 in any fiscal year with unused amounts in any fiscal year being carried over to the immediately succeeding fiscal year; *provided* that in determining whether any amount is available for carry-over, the amount expended in any fiscal year shall first be deemed to be from the amount allocated to such fiscal year (before giving effect to any carryover) and (iv) the Borrower may make Restricted Payments to Holdings (and Holdings may make Restricted Payments to any Parent Company with amounts so paid to Holdings by the Borrower) (x) in an amount not to exceed \$250,000 in any fiscal year, to the extent necessary to pay general corporate and overhead expenses incurred by Holdings (or such Parent Company) in the ordinary course of business and (y) in an amount necessary to pay the Tax liabilities of Holdings (or such Parent Company) directly attributable to (or arising as a result of) the operations of the Borrower and the Subsidiaries; *provided, however*, that (A) the amount of such dividends shall not exceed the amount that the Borrower and the Subsidiaries would be required to pay in respect of Federal, State and local taxes were the Borrower and the Subsidiaries to pay such taxes as stand-alone taxpayers and (B) all Restricted Payments made to Holdings (or such Parent Company) pursuant to this clause (iii) are used by Holdings (or such Parent Company) for the purposes specified herein within 20 days of the receipt thereof.

(b) Enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (i) the ability of Holdings, the Borrower or any Subsidiary to create, incur or permit to exist any Lien upon any of its property or assets for the benefit of the Secured

Parties, or (ii) the ability of any Subsidiary of the Borrower to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to the Borrower or any other Subsidiary of the Borrower or to Guarantee Indebtedness of the Borrower or any Subsidiary of the Borrower; *provided* that (A) the foregoing shall not apply to restrictions and conditions imposed by law or by any Loan Document or any ABL Document, (B) the foregoing shall not apply to customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary of the Borrower pending such sale, *provided* that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder, (C) clause (i) of the foregoing shall not apply to restrictions or conditions imposed by any agreement relating to secured Indebtedness permitted by this Agreement if such restrictions or conditions apply only to the property or assets securing such Indebtedness and (D) clause (i) of the foregoing shall not apply to customary provisions in leases and other contracts restricting the assignment thereof.

(c) The Borrower may make Restricted Payments, in an aggregate amount not to exceed the Available Amount as of the time such Restricted Payment is made; *provided* that (x) both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, (y) both before and immediately after giving effect thereto, the Total Net Leverage Ratio for the most recent Calculation Period for which Section 5.04 Financials have been delivered would not exceed 2.50 to 1.00 on a Pro Forma Basis and (z) with respect to any Restricted Payment in an amount in excess of \$10,000,000, at least 2 Business Days prior to the making of such Restricted Payment (or such later date as permitted by the Administrative Agent), the Borrower shall have delivered a certificate of a Financial Officer, certifying as to compliance with this paragraph (c) and as to the Available Amount and containing reasonably detailed calculations in support thereof, in form and substance satisfactory to the Administrative Agent.

SECTION 6.07. *Transactions with Affiliates.* Except for transactions between or among the Loan Parties, sell or transfer any property or assets to, or purchase or acquire any property or assets from, or otherwise engage in any other transactions with, or for the benefit of, any of its Affiliates, except that (a) the Borrower or any Subsidiary may engage in any of the foregoing transactions in the ordinary course of business at prices and on terms and conditions not less favorable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) to pay or reimburse the Sponsor for reasonable out-of-pocket costs and expenses related to management, monitoring consulting and advisory services provided to Holdings and its Subsidiaries, (c) enter into transactions with Affiliated Lenders pursuant to Section 9.04 of this Agreement and in accordance with the terms thereof, (d) make Restricted Payments permitted under Section 6.06, (e) enter into and pay customary compensation and indemnity arrangements for officers, directors and other employees of Holdings and its Subsidiaries entered into in the ordinary course of business, (f) incur and, to the extent permitted hereby, perform its obligations under, Indebtedness permitted under Section 6.01(m) and (v) make the investments permitted under Section 6.04(e).

SECTION 6.08. *Business of Holdings, Borrower and Subsidiaries.* (a) With respect to Holdings, engage in any business activities or have any assets or liabilities (i) other than its ownership of the Equity Interests of the Borrower and Minnesota Merchandising and liabilities incidental thereto, including its liabilities pursuant to the Guarantee and Collateral Agreement and its guarantee of the Borrower's indebtedness under the ABL Credit Agreement, pursuant to the ABL Documents, (ii) distribution of any Restricted Payments permitted by Section 6.06 and (iii) activities incidental to the business or activities described in clauses (i)-(ii) above.

(b) With respect to Minnesota Merchandising, engage in any business activities or have any assets or liabilities (i) other than engaging in business activities and incurring liabilities to purchasers of gift card at the Stores related to or incidental to such gift card business, (ii) incur its liabilities pursuant to

the Guarantee and Collateral Agreement and the ABL Documents and (iii) activities incidental to the business or activities described in clauses (i)-(ii) above.

(c) With respect to the Borrower and its Subsidiaries, engage at any time in any business or business activity other than the business currently conducted by it and business activities reasonably incidental thereto.

SECTION 6.09. Other Indebtedness and Agreements. (a) Permit any waiver, supplement, modification, amendment, termination or release of (x) any ABL Document or agreement in respect of any refinancing of any Indebtedness under the ABL Documents, in each case except as permitted by the Intercreditor Agreement, or (y) any indenture, instrument or agreement (other than the ABL Documents) pursuant to which any Material Indebtedness of Holdings, the Borrower or any of the Subsidiaries is outstanding if the effect of such waiver, supplement, modification, amendment, termination or release would materially increase the obligations of the obligor or confer additional material rights on the holder of such Indebtedness in a manner adverse to Holdings, the Borrower, any of the Subsidiaries or the Lenders or (ii) any waiver, supplement, modification or amendment of its certificate of incorporation, by-laws, operating, management or partnership agreement or other organizational documents, to the extent any such waiver, supplement, modification or amendment would be adverse to the Lenders in any material respect (including reorganization of the Borrower or any other Loan Party in a non-U.S. jurisdiction).

(b) (i) With respect to any Subordinated Indebtedness or Junior Indebtedness, make any distribution, whether in cash, property, securities or a combination thereof, other than regular scheduled payments of principal and interest as and when due (to the extent not prohibited by applicable subordination provisions or subordination agreements), in respect of, or pay or directly or indirectly (including pursuant to any Synthetic Purchase Agreement) redeem, repurchase, retire or otherwise acquire for consideration such Indebtedness except (A) Permitted Refinancing Indebtedness incurred pursuant to Section 6.01 and (B) unless an Event of Default has occurred and is continuing, payments in respect of such Indebtedness owing to the Borrower or any Subsidiary of the Borrower to the extent not otherwise prohibited hereunder, or (ii) pay in cash any amount in respect of any Indebtedness or preferred Equity Interests that may at the obligor's option be paid in kind or in other securities (other than Indebtedness or preferred Equity Interests held by the Borrower or a Loan Party that is a Subsidiary of the Borrower).

(c) Notwithstanding the foregoing, the Borrower and its Subsidiaries may pay, redeem, purchase, retire or otherwise acquire for value Indebtedness in transactions that would otherwise be prohibited by paragraph (b) above in an amount not to exceed the Available Amount at such time; *provided* that (x) both before and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing, (y) both before and immediately after giving effect thereto, the Total Net Leverage Ratio would not exceed 2.50 to 1.00 on a Pro Forma Basis for the most recent Calculation Period for which Section 5.04 Financials have been delivered and (z) with respect to any such payment, redemption, purchase, retirement or acquisition in an amount in excess of \$10,000,000, at least 2 Business Days prior to the making of such payment, redemption, purchase, retirement or acquisition (or such later date as permitted by the Administrative Agent), the Borrower shall have delivered a certificate of a Financial Officer, certifying as to compliance with this paragraph (c) and as to the Available Amount and containing reasonably detailed calculations in support thereof, in form and substance satisfactory to the Administrative Agent.

SECTION 6.10. Interest Coverage Ratio. Permit the Interest Coverage Ratio for any Calculation Period ending during any period set forth below (inclusive of the dates set forth below) to be less than the ratio set forth opposite such date or period below:

<u>Date or Period</u>	<u>Ratio</u>
Closing Date through February 5, 2014	2.85 to 1.00
February 6, 2014 through May 5, 2014	2.85 to 1.00
May 6, 2014 through August 5, 2014	2.85 to 1.00
August 6, 2014 through November 5, 2014	3.00 to 1.00
November 6, 2014 through February 5, 2015	3.10 to 1.00
February 6, 2015 through May 5, 2015	3.15 to 1.00
May 6, 2015 through August 5, 2015	3.15 to 1.00
August 6, 2015 through November 5, 2015	3.20 to 1.00
November 6, 2015 through February 5, 2016	3.30 to 1.00
February 6, 2016 through the Maturity Date	3.50 to 1.00

SECTION 6.11. **Maximum Total Net Leverage Ratio.** Permit the Total Net Leverage Ratio as of the last day of any Calculation Period ending during a period set forth below (inclusive of the dates set forth below) to be greater than the ratio set forth opposite such period below:

<u>Date or Period</u>	<u>Ratio</u>
Closing Date through February 5, 2014	4.18 to 1.00
February 6, 2014 through May 5, 2014	4.67 to 1.00
May 6, 2014 through August 5, 2014	5.13 to 1.00
August 6, 2014 through November 5, 2014	4.75 to 1.00
November 6, 2014 through February 5, 2015	3.85 to 1.00
February 6, 2015 through May 5, 2015	4.28 to 1.00
May 6, 2015 through August 5, 2015	4.34 to 1.00
August 6, 2015 through November 5, 2015	4.32 to 1.00
November 6, 2015 through February 5, 2016	3.28 to 1.00
February 6, 2016 through May 5, 2016	3.96 to 1.00
May 6, 2015 through August 5, 2016	4.02 to 1.00
August 6, 2016 through November 5, 2016	4.00 to 1.00
November 6, 2016 through February 5, 2017	2.90 to 1.00
February 6, 2017 through May 5, 2017	3.58 to 1.00
May 6, 2017 through August 5, 2017	3.63 to 1.00
August 6, 2017 through November 5, 2017	3.61 to 1.00
November 6, 2017 through the Maturity Date	2.75 to 1.00

SECTION 6.12. **Fiscal Year.** With respect to Holdings and the Borrower, change their fiscal year-end to a date other than the Saturday closest to January 31 of each calendar year.

SECTION 6.13. **Certain Equity Securities.** Issue any Equity Interest that is not Qualified Capital Stock.

Events of Default

SECTION 7.01. **Events of Default.** In case of the happening of any of the following events ("**Events of Default**"):

(a) any representation or warranty made or deemed made by any Loan Party in or in connection with any Loan Document or any Credit Event hereunder, or any representation, warranty, statement or information contained in any report, certificate, financial statement or other instrument furnished by or on behalf of any Loan Party in connection with or pursuant to any Loan Document, shall prove to have been false or misleading in any material respect when so made, deemed made or furnished or, with respect to any representation or warranty that is qualified as to "materiality", "Material Adverse Effect" or similar language, shall prove to have been false or misleading in any respect when so made, deemed made or furnished;

(b) default shall be made in the payment of any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise;

(c) default shall be made in the payment of any interest on any Loan or any Fee or any other amount (other than an amount referred to in (b) above) due under any Loan Document, when and as the same shall become due and payable, and such default shall continue unremedied for a period of three Business Days;

(d) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant, condition or agreement contained in Section 5.01(a), 5.02, 5.04(a), 5.04(b), 5.04(d), 5.05, 5.08 or 5.14 or in Article VI;

(e) default shall be made in the due observance or performance by Holdings, the Borrower or any Subsidiary of any covenant, condition or agreement contained in any Loan Document (other than those specified in (b), (c) or (d) above) and such default shall continue unremedied for a period of 30 days after the earlier of (i) notice thereof from the Administrative Agent to the Borrower (which notice shall also be given at the request of any Lender) or (ii) knowledge thereof of Holdings or the Borrower;

(f) (x) (i) Holdings, the Borrower or any Subsidiary shall fail to pay any principal, interest or other amounts, regardless of amount, due in respect of any Material Indebtedness, when and as the same shall become due and payable, or (ii) any other event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof (or to require an offer to be made in respect of the prepayment, repurchase or redemption thereof), prior to its scheduled maturity; *provided* that this clause (ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness; or (y) Holdings, the Borrower or any Subsidiary shall (A) fail to pay any principal, interest or other amounts, regardless of amount, due in respect of any Indebtedness under the ABL Documents when and as the same shall become due and payable or (B) any other event or condition occurs that results in any Indebtedness under the ABL Documents becoming due prior to its scheduled maturity or that enables or permits (with or

without the giving of notice, the lapse of time or both) the holder or holders of such Indebtedness or any trustee or agent on its or their behalf to cause such Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof (or to require an offer to be made in respect of the prepayment, repurchase or redemption thereof), prior to its scheduled maturity;

(g) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of Holdings, the Borrower or any Subsidiary, or of a substantial part of the property or assets of Holdings, the Borrower or a Subsidiary, under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Subsidiary or for a substantial part of the property or assets of Holdings, the Borrower or a Subsidiary or (iii) the winding-up or liquidation of Holdings, the Borrower or any Subsidiary (except with respect to a Subsidiary of the Borrower, as permitted under Section 6.05(a)); and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(h) Holdings, the Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other Federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in (g) above, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Subsidiary or for a substantial part of the property or assets of Holdings, the Borrower or any Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take any action for the purpose of effecting any of the foregoing;

(i) one or more judgments shall be rendered against Holdings, the Borrower, any Subsidiary or any combination thereof and the same shall remain undischarged for a period of 30 consecutive days during which execution shall not be effectively stayed, or any action shall be legally taken by a judgment creditor to levy upon assets or properties of Holdings, the Borrower or any Subsidiary to enforce any such judgment and such judgment either (i) is for the payment of money in an aggregate amount in excess of \$5,000,000 (to the extent not covered by any third party insurance as to which the insurer has acknowledged coverage) or (ii) is for injunctive relief and could reasonably be expected to result in a Material Adverse Effect;

(j) an ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other such ERISA Events, could reasonably be expected to result in liability of the Borrower and its ERISA Affiliates in an aggregate amount exceeding \$5,000,000;

(k) any Guarantee under the Guarantee and Collateral Agreement or any other Security Document for any reason shall cease to be in full force and effect (other than in accordance with its terms), or any Guarantor shall deny in writing that it has any further liability under the Guarantee and Collateral Agreement or any other Security Document (in each case, other than as a result of the discharge of such Guarantor in accordance with the terms of the Loan Documents);

(l) any security interest purported to be created by any Security Document shall cease to be, or shall be asserted by the Borrower or any other Loan Party not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) security interest in any material portion of the assets covered thereby;

(m) the Intercreditor Agreement or any provision of any thereof shall cease to be in full force or effect (except in accordance with its terms) or any Loan Party or lender under the ABL Credit Agreement shall deny or disaffirm in writing its obligations thereunder; or

(n) there shall have occurred a Change in Control;

then, and in every such event (other than an event with respect to Holdings or the Borrower described in paragraph (g) or (h) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders, the Required First Out Lenders (as defined in the Agreement Among Lenders) or the Required Last Out Lenders (as defined in the Agreement Among Lenders) shall, in each case, to the extent permitted in accordance with the Agreement Among Lenders, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate forthwith the Commitments and (ii) declare the Loans then outstanding to be forthwith due and payable in whole or in part, whereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall become forthwith due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding; and in any event with respect to Holdings or the Borrower described in paragraph (g) or (h) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and any unpaid accrued Fees and all other liabilities of the Borrower accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the Borrower, anything contained herein or in any other Loan Document to the contrary notwithstanding.

SECTION 7.02. Right to Cure. (a) Notwithstanding anything to the contrary contained in Section 7.01, in the event that the Borrower fails to comply with the requirements of any of the Financial Covenants with respect to any Calculation Period, at any time after the last day of the relevant Calculation Period until the expiration of the tenth Business Day subsequent to the date on which a Compliance Certificate with respect to such Calculation Period is required to be delivered in accordance with Section 5.04(c) (such period commencing after the Calculation Period and ending prior to the expiration of such tenth Business Day, the "**Cure Period**"), Holdings shall have the right to receive cash capital contributions or issue Qualified Capital Stock in the form of common stock for cash (which cash Holdings shall promptly contribute to the Borrower as cash common equity) (collectively, the "**Cure Right**"), and upon the receipt by the Borrower of such cash (the "**Cure Amount**") the Financial Covenants shall be recalculated giving effect to the following pro forma adjustment:

(i) Consolidated EBITDA shall be increased, solely for the purpose of measuring the Financial Covenants with respect to such Calculation Period (the "**Initial Calculation Period**") and any subsequent Calculation Period that contains the last fiscal quarter of the Initial Calculation Period, and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and

(ii) if, after giving effect to the foregoing recalculations, the Borrower shall then be in compliance with the requirements of the Financial Covenants, the Borrower shall be deemed to

have satisfied the requirements of the Financial Covenants 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 the Financial Covenants that had occurred shall be deemed cured for the purposes of this Agreement;

provided that (x) the Borrower shall have notified the Administrative Agent of the exercise of such Cure Right prior to the issuance of the relevant Equity Interests for cash or the receipt of the cash contributions by Holdings and (y) such cash is actually received by the Borrower (including through capital contribution of such cash by Holdings to the Borrower) during the Cure Period.

(b) Notwithstanding anything herein to the contrary, (i) in each four consecutive fiscal quarter period of Holdings there shall be at least two fiscal quarters in which the Cure Right is not exercised, (ii) during the term of this Agreement, the Cure Right shall not be exercised more than four times, (iii) for purposes of this Section 7.02, the Cure Amount shall be no greater than the minimum amount required for purposes of complying with the Financial Covenants for the relevant period, and any amounts in excess thereof shall not be deemed to be a Cure Amount, (iv) the Cure Amount received pursuant to any exercise of the Cure Right shall be disregarded for purposes of determining any financial ratio-based terms, the Available Amount and any available basket hereunder, and (v) the Cure Amount shall not result in any (x) reduction in Indebtedness for purposes of calculating compliance with any of the financial covenants hereunder or (y) increase in the amount of cash and Cash Equivalents that would otherwise be included in the calculation of Total Net Debt.

SECTION 7.03. *Application of Proceeds.* All amounts received by or on behalf of the Collateral Agent or any other Secured Party (i) pursuant to Section 2.05 of the Security Agreement, (ii) consisting of the proceeds of any collection, sale, foreclosure or other realization (in connection with the exercise of remedies or following an Event of Default under Section 7.01 (g) or (h)) upon any Collateral, including any Collateral consisting of cash, or following the acceleration or maturity of the Obligations and (iii) following an Event of Default under Section (g) or (h), shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, by the Collateral Agent as follows:

(a) *First*, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in their respective capacities as such hereunder or under any other Loan Document) in connection with such collection, sale, foreclosure or realization or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel (subject to the limitations set forth in Section 9.05), the repayment of all advances made by the Administrative Agent and/or the Collateral Agent hereunder or under any other Loan Document on behalf of any Loan Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document and all indemnification and reimbursement obligations owing to the Administrative Agent or the Collateral Agent under any Loan Document;

(b) *Second*, to the payment in full of all other First Out Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the First Out Obligations owed to them on the date of any such distribution);

(c) *Third*, to the payment in full of all other Last Out Obligations (the amounts so applied to be distributed among the Secured Parties pro rata in accordance with the amounts of the Last Out Obligations owed to them on the date of any such distribution); and

(d) *Fourth*, to the Loan Parties, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement and the other Loan Documents. Upon any sale of 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.

Notwithstanding the foregoing, upon delivery by the Required First Out Lenders (as defined in the Agreement Among Lenders) of written notice to Administrative Agent and Last Out Lender Representative (as defined in the Agreement Among Lenders) of their election to modify the above application of payments and proceeds of Collateral, all payments and all proceeds of Collateral received by Administrative Agent or any other Secured Party (at such time as such Collateral has been monetized) shall be applied as follows:

(a) *First*, to the payment of all costs and expenses incurred by the Administrative Agent or the Collateral Agent (in their respective capacities as such hereunder or under any other Loan Document) in connection with such collection, sale, foreclosure or realization or otherwise in connection with this Agreement, any other Loan Document or any of the Obligations, including all court costs and the fees and expenses of its agents and legal counsel (subject to the limitations set forth in Section 9.05), the repayment of all advances made by the Administrative Agent and/or the Collateral Agent hereunder or under any other Loan Document on behalf of any Loan Party and any other costs or expenses incurred in connection with the exercise of any right or remedy hereunder or under any other Loan Document and all indemnification and reimbursement obligations owing to the Administrative Agent or the Collateral Agent under any Loan Document;

(b) *Second*, ratably, to pay Obligations in respect of any cost or expense reimbursements, fees (other than the Prepayment Premium) or indemnities (other than contingent indemnity obligations for which no claim has been asserted) then due to any of the First Out Lenders under the Loan Documents, until paid in full;

(c) *Third*, ratably, to pay interest (other than default interest) then due and payable in respect of the First Out Obligations under the Loan Documents, until paid in full;

(d) *Fourth*, to pay the outstanding principal balance of the First Out Term Loan (in the inverse order of the maturity of the installments due thereunder), until the First Out Term Loan is paid in full;

(e) *Fifth*, to pay any other amounts in respect of any other First Out Obligations (including, without limitation, any Obligations in respect of Specified Hedge Agreements) other than any Prepayment Premium or default interest, until paid in full;

(f) *Sixth*, to pay Obligations in respect of any cost or expense reimbursements, fees (other than the Prepayment Premium) or indemnities (other than contingent indemnity obligations for which no claim has been asserted) then due to the Last Out Lender Representative, until paid in full;

(g) *Seventh*, ratably, to pay Obligations in respect of any cost or expense reimbursements, fees or indemnities (other than contingent indemnity obligations for which no claim has been asserted) then due to any of the Last Out Lenders under the Loan Documents, until paid in full;

(h) *Eighth*, ratably, to pay interest (other than default interest) then due and payable in respect of the Last Out Term Loan under the Loan Documents, until paid in full;

(i) *Ninth*, ratably, to pay the outstanding principal balance of the Last Out Term Loan (in the inverse order of the maturity of the installments due thereunder), until paid in full;

(j) *Tenth*, to pay any Obligations in respect of any Prepayment Premium and default interest then due to any of the First Out Lenders under the Loan Documents, until paid in full;

(k) *Eleventh*, to pay any Obligations in respect of any Prepayment Premium and default interest then due to any of the Last Out Lenders under the Loan Documents, until paid in full;

(l) *Twelfth*, to pay any Obligations owing to any Defaulting Lenders under the Loan Documents, until paid in full (it being agreed that the payment of such Obligations pursuant to this clause shall be in lieu of payment of any amounts to which any Defaulting Lender would be otherwise be entitled under the preceding clauses hereof); and

(m) *Thirteenth*, to the Loan Parties, their successors or assigns, or as a court of competent jurisdiction may otherwise direct.

ARTICLE VIII

The Administrative Agent and the Collateral Agent; Etc.

SECTION 8.01. **Appointment and Authority.** Each Lender hereby irrevocably appoints the Administrative Agent and the Collateral Agent (for purposes of this Article VIII, the Administrative Agent and the Collateral Agent are referred to collectively as the “**Agents**”) its agent and authorizes the Agents to take such actions on its behalf and to exercise such powers as are delegated to such Agent by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to (i) execute any and all documents (including releases) with respect to the Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents and (ii) negotiate, enforce or the settle any claim, action or proceeding affecting the Lenders in their capacity as such, at the direction of the Required Lenders, which negotiation, enforcement or settlement will be binding upon each Lender.

SECTION 8.02. **Rights as a Lender.** The Person serving as the Administrative Agent and/or the Collateral Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not an Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Holdings, the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

SECTION 8.03. **Exculpatory Provisions.** Neither Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither 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 9.08); *provided* that neither Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose either Agent to liability or that is contrary to any Loan Document or Requirement of 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 (c) except as expressly set forth in the Loan

Documents, neither 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. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.08) or in the absence of its own gross negligence or willful misconduct. Neither Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by Holdings, the Borrower or a Lender, and neither Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

SECTION 8.04. *Reliance by Agents.* Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed or sent by the proper Person. Each Agent may also rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. Each Agent may consult with legal counsel (who may be counsel for the Borrower or the Sponsor), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05. *Delegation of Duties.* Each Agent may perform any and all its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Term Facility as well as activities as Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and non-appealable judgment that such Agent acted with gross negligence or willful misconduct in the selection of such sub agents.

SECTION 8.06. *Resignation of Agents.* Either Agent may resign at any time by notifying the Lenders and the Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor. If no 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, then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Agent which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. If no successor Agent has been appointed pursuant to the immediately preceding sentence by the 30th day after the date such notice of resignation was given by such Agent, such Agent's resignation shall become effective and the Required Lenders shall thereafter

perform all the duties of such Agent hereunder and/or under any other Loan Document until such time, if any, as the Required Lenders appoint a successor Administrative Agent and/or Collateral Agent, as the case may be.

If the Person serving as Administrative Agent is a Defaulting Lender pursuant to clause (d) of the definition thereof, the Required Lenders may, to the extent permitted by applicable law, by notice in writing to the Borrower and such Person remove such Person as 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.

If the Administrative Agent, the Collateral Agent and their respective Affiliates no longer hold any First Out Obligations, Last Out Obligations or Commitments and have been paid all principal, interest, fees and other amounts then outstanding under this Agreement and the other Loan Agreements and, in connection therewith, the Last Out Loan Holders (as defined in the Agreement Among Lenders) exercise their right to require the Administrative Agent and the Collateral Agent to resign pursuant to Section 2(e) of the Agreement Among Lenders, the resignations of the Administrative Agent and the Collateral Agent shall become effective immediately.

With effect from an Agent’s resignation or removal hereunder, (1) such retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders or the Issuing Banks under any of the Loan Documents, the retiring or removed Collateral Agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed; *provided* that in the event such resignation is required by the Last Out Loan Holders (as defined in the Agreement Among Lenders) pursuant to Section 2(e) of the Agreement Among Lenders, the resigning Collateral Agent shall deliver such collateral security to the Last Out Loan Holders (as defined in the Agreement Among Lenders) in accordance therewith) and (2) except for any indemnity payments owed to the retiring or removed Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent (other than any rights to indemnity payments owed to the retiring or removed Administrative Agent), and the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent’s resignation or removal hereunder, the provisions of this Article and Section 9.05 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 acted as Agent.

SECTION 8.07. *Non-Reliance on Agents and Other Lenders.* Each Lender acknowledges that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder.

SECTION 8.08. **No Other Duties.** Notwithstanding any other provision of this Agreement or any provision of any other Loan Document, the Lead Arranger is named as such for recognition purposes only, and in its capacity as such shall have no duties, responsibilities or liabilities with respect to this Agreement or any other Loan Document; it being understood and agreed that the Lead Arranger shall be entitled to all indemnification and reimbursement rights in favor of the Agents provided herein and in the other Loan Documents. Without limitation of the foregoing, the Lead Arranger, in its capacity as such, shall not, by reason of this Agreement or any other Loan Document, have any fiduciary relationship in respect of any Lender, Loan Party or any other Person.

SECTION 8.09. **Administrative Agent May File Proofs of Claim.** In case of the pendency of any proceeding under any Debtor Relief Law, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise: (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Administrative Agent and their respective agents and counsel and all other amounts due the Lenders and the Administrative Agent under Sections 2.05, 2.22 or 9.05) allowed in such judicial proceeding and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.05 and 9.05.

SECTION 8.10. **Collateral and Guaranty Matters.** (a) The Secured Parties irrevocably authorize the Collateral Agent, at its option and in its discretion,

(i) to release any Lien on any property granted to or held by the Collateral Agent under any Loan Document (x) upon termination of all Commitments and payment in full of all Obligations (other than contingent indemnification obligations), (y) that is sold or otherwise disposed of or to be sold or otherwise disposed of as part of or in connection with any sale or other disposition to a Person other than a Loan Party not prohibited by the Loan Documents, or (z) subject to Section 9.08, if approved, authorized or ratified in writing by the Required Lenders; and

(ii) to release any Subsidiary Guarantor from its obligations under the Guaranty and Collateral Agreement if such Person ceases to be a Subsidiary as a result of a transaction not otherwise prohibited under the Loan Documents.

(b) Upon request by the Collateral Agent at any time, the Required Lenders will confirm in writing the Collateral Agent's authority to release its interest in particular types or items of property, or to release any Subsidiary Guarantor from its obligations under the Guaranty and Collateral Agreement pursuant to this Section 8.10.

(c) The Agents 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 Loan Party

in connection therewith, nor shall the Agents be responsible or liable to the Lenders for any failure to monitor or maintain any portion of the Collateral.

ARTICLE IX

Miscellaneous

SECTION 9.01. **Notices; Electronic Communications.** Except in the case of notices and other communications expressly permitted hereby to be given by telephone, notices and other communications provided for herein shall be in writing and, except as otherwise provided in this Section 9.01, shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax, and all notices, demands, requests and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable number, as follows:

(a) if to the Borrower or Holdings, to it at Sportsman's Warehouse, 7035 S. High Tech Drive, Midvale, UT 84047, Attention Chief Financial Officer, Fax No. 801-304-4388, Phone 801-304-4321, Email: ktalbot@sportsmanswarehouse.com;

(b) if to the Administrative Agent, to Credit Suisse AG, Attention: Sean Portrait – Agency Manager, Eleven Madison Avenue, New York, NY 10010, Fax No. 212-322-2291, Phone: 919-994-6369, Email: agency.loanops@credit-suisse.com; and

(c) if to a Lender, to it at its address (or fax number) set forth on Schedule 2.01 or in the Assignment and Acceptance pursuant to which such Lender shall have become a party hereto.

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 delivered by hand or overnight courier service or sent by fax or other electronic image scan transmission (except that if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient) or on the date five Business Days after dispatch by certified or registered mail if mailed, in each case delivered, sent or mailed (properly addressed) to such party as provided in this Section 9.01 or in accordance with the latest unrevoked direction from such party given in accordance with this Section 9.01. As agreed to among Holdings, the Borrower, the Administrative Agent and the applicable Lenders 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.

Loan Documents may be transmitted and/or signed by facsimile or other electronic image transmission (e.g., "PDF" or "TIF" via electronic mail). The effectiveness of any such documents and signatures shall, subject to applicable law, have the same force and effect as manually signed originals and shall be binding on the Loan Parties party thereto, the Administrative Agent and the Lenders.

The Borrower hereby agrees, unless directed otherwise by the Administrative Agent or unless the electronic mail address referred to below has not been provided by the Administrative Agent to the Borrower, that it will, or will cause its Subsidiaries to, provide to the Administrative Agent all information, documents and other materials that it is obligated to furnish to the Administrative Agent pursuant to the Loan Documents or to the Lenders under Article V, including all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) is or relates to a Borrowing Request or a notice pursuant to Section 2.10, (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Default or Event of Default under this

Agreement or any other Loan Document or (iv) 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 hereunder (all such non-excluded communications being referred to herein collectively as “**Communications**”), by transmitting the Communications in an electronic/soft medium that is properly identified in a format acceptable to the Administrative Agent to an electronic mail address as directed by the Administrative Agent. In addition, the Borrower agrees, and agrees to cause its Subsidiaries, to continue to provide the Communications to the Administrative Agent or the Lenders, as the case may be, in the manner specified in the Loan Documents but only to the extent requested by the Administrative Agent.

The Borrower hereby acknowledges that (a) the Administrative Agent may, but shall not be obligated to, make available to the Lenders (and prospective Lenders, assignees and participants) materials and/or information provided by or on behalf of the Borrower hereunder (collectively, the “**Borrower Materials**”) by posting the Borrower Materials on Intralinks, SyndTrak or another similar electronic system (the “**Platform**”) and (b) certain of the Lenders (and prospective Lenders, assignees and participants) may be “public-side” Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Borrower or its securities) (each, a “**Public Lender**”). The Borrower hereby agrees that (w) all Borrower Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked “PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Borrower shall be deemed to have authorized the Administrative Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its securities for purposes of United States federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 9.16); (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated as “Public Investor;” and (z) the Administrative Agent shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not marked as “Public Investor.” Notwithstanding the foregoing, the following Borrower Materials shall be marked “PUBLIC”, unless the Borrower notifies the Administrative Agent promptly that any such document contains material non-public information: (1) the Loan Documents and (2) notification of changes in the terms of the Loan Documents.

Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Communications that are not made available through the “Public Side Information” portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

THE PLATFORM IS PROVIDED “AS IS” AND “AS AVAILABLE”. NEITHER THE ADMINISTRATIVE AGENT NOR ANY OF ITS RELATED PARTIES WARRANTS THE ACCURACY OR COMPLETENESS OF THE COMMUNICATIONS OR THE ADEQUACY OF THE PLATFORM AND EACH EXPRESSLY DISCLAIMS LIABILITY FOR ERRORS OR OMISSIONS IN THE COMMUNICATIONS. 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 THE ADMINISTRATIVE AGENT OR ANY OF ITS RELATED PARTIES IN CONNECTION WITH THE COMMUNICATIONS OR THE PLATFORM. IN NO EVENT SHALL THE ADMINISTRATIVE AGENT OR ANY OF ITS

RELATED PARTIES HAVE ANY LIABILITY TO ANY LOAN PARTY, ANY LENDER OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, WHETHER OR NOT BASED ON STRICT LIABILITY AND INCLUDING DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF ANY LOAN PARTY'S OR THE ADMINISTRATIVE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE PLATFORM, EXCEPT TO THE EXTENT THE LIABILITY OF ANY SUCH PERSON IS FOUND IN A FINAL RULING BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED PRIMARILY FROM SUCH PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

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 Loan Documents. Each Lender agrees that receipt of 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 Loan Documents. Each Lender agrees 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 that the foregoing notice may be sent to such e-mail address.

Nothing herein shall prejudice the right of the Administrative Agent or any Lender to give any notice or other communication pursuant to any Loan Document in any other manner specified in such Loan Document.

SECTION 9.02. *Survival of Agreement.* All covenants, agreements, representations and warranties made by the Borrower or Holdings herein and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders and shall survive the making by the Lenders of the Loans, regardless of any investigation made by the Lenders or on their behalf, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any Fee or any other amount payable under this Agreement or any other Loan Document is outstanding and unpaid and so long as the Commitments have not been terminated. The provisions of Sections 2.14, 2.16, 2.20, 2.25, 9.05, 9.06 and 9.11 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender.

SECTION 9.03. *Binding Effect.* Except as provided in Article IV, this Agreement shall become effective when it shall have been executed by the Borrower, Holdings and the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto.

SECTION 9.04. *Successors and Assigns.* (a) Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower, Holdings, the Administrative Agent, the Collateral Agent or the Lenders that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

(b) Each Lender may assign to one or more Eligible Assignees all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent of the Administrative Agent (not to be unreasonably

withheld or delayed) (*provided* that the consent of the Administrative Agent shall not be required for assignments of Term Loans to existing Term Lenders); *provided, however*, that (i) the consent of the Borrower (such consent not to be unreasonably withheld, conditioned or delayed) shall be required for any assignment unless (1) an Event of Default has occurred and is continuing under clause (b), (c), (g) or (h) of Section 7.01, (2) such assignment is to a Lender, an Affiliate of a Lender or a Related Fund of a Lender or (3) such assignment is consummated on or prior to the date of completion of the primary syndication of the Term Facility (as determined by the Administrative Agent); *provided* that the Borrower shall be deemed to have consented to any proposed assignee unless it shall object thereto by written notice to the Administrative Agent within ten Business Days after having received notice thereof, (ii) 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 be in an integral multiple of, and not less than, \$1,000,000 (or, if less, the entire remaining amount of such Lender's Commitment or Loans of the relevant Class); *provided* that simultaneous assignments by two or more Related Funds shall be combined for purposes of determining whether the minimum assignment requirement is met (iii) the parties to each assignment shall (A) execute and deliver to the Administrative Agent an Assignment and Acceptance via an electronic settlement system reasonably acceptable to the Administrative Agent or (B) if previously agreed with the Administrative Agent, manually execute and deliver to the Administrative Agent an Assignment and Acceptance, and, in each case, shall pay to the Administrative Agent a processing and recordation fee of \$3,500 (which fee may be waived or reduced in the sole discretion of the Administrative Agent), and (iv) the assignee, if it shall not be a Lender immediately prior to such assignment, shall deliver to the Administrative Agent an Administrative Questionnaire (in which the assignee shall designate one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws) and all applicable tax forms. Upon acceptance and recording pursuant to paragraph (g) of this Section 9.04, from and after the effective date specified in each Assignment and Acceptance, (A) 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 (B) 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 or the remaining portion of an 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 2.14, 2.16, 2.20 and 9.05, as well as to any Fees accrued for its account and not yet paid); *provided* that, except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. No assignment shall be made to any Defaulting Lender or any of its subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or one of its subsidiaries.

(c) Assignments to Purchasing Borrower Parties. Each Lender acknowledges that each Purchasing Borrower Party may purchase or acquire Term Loans hereunder from Lenders from time to time pursuant to a Dutch Auction open to all Lenders of a particular Class of Term Loans subject to such Dutch Auction on a pro rata basis and conducted in accordance with the terms of this Agreement (including, without limitation, this Section 9.04), subject to the restrictions set forth in the definition of "Dutch Auction" and subject to the following limitations:

(i) Purchasing Borrower Parties shall not receive information provided solely to Lenders or the Administrative Agent or their respective advisors by the Administrative Agent or any Lender or their respective advisors and shall not be permitted to attend or participate in meetings attended solely by Lenders and the Administrative Agent and their advisors;

(ii) (A) no Purchasing Borrower Party shall be permitted to purchase Term Loans if, as of the date of each Purchase Notice or the effective date of any Auction Purchase, such Purchasing Borrower Party is in possession of any information with respect to any Loan Party or any of their Subsidiaries that (x) has not been disclosed by or on behalf of the Loan Parties or any of their Subsidiaries either (1) publicly, (2) to Lenders generally or (3) otherwise been posted to that portion of the Platform for the Loans that has been designated for “private-side” Lenders and (y) in the Purchasing Borrower Party’s good faith determination would reasonably be expected to have a material effect on the market price of the Loans or otherwise be material with respect to any Loan Party or any of their Subsidiaries or any their respective securities for purposes of United States federal and state securities laws, and (B) each Purchase Notice and each Purchase shall constitute a representation and warranty by such Purchasing Borrower Party as of the date of such Purchase Notice or such Auction Purchase, as applicable, that it is not in possession of any information described in the foregoing clause (A);

(iii) notwithstanding anything herein or in any of the other Credit Documents to the contrary, with respect to any Auction Purchase or other assignment to a Purchasing Borrower Party (or contribution from an Affiliate of the Borrower), under no circumstances, whether or not any Credit Party is subject to a bankruptcy or other insolvency proceeding, shall any Purchasing Borrower Party be permitted to exercise any voting rights or other privileges with respect to any Loans or Commitments, and any Term Loans that are assigned to a Purchasing Borrower Party, shall have no voting rights or other privileges under this Agreement and the other Loan Documents and shall not be taken into account in determining any required vote or consent;

(iv) at the time any Purchasing Borrower Party is making purchases of Loans or Commitments, it shall enter into an Affiliated Lender Assignment and Acceptance Agreement;

(v) at the time of any Purchase Notice and any Auction Purchase, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(vi) (x) the Borrower shall have Availability or Unrestricted Cash of at least \$15,000,000 at the time of any Purchase Notice and any Auction Purchase (and on a pro forma basis after giving effect to such Auction Purchase), and (y) no proceeds of ABL Loans may be used to fund any Auction Purchase; and

(vii) immediately upon the effectiveness of each Auction Purchase or assignment to a Purchasing Borrower Party or a contribution of Term Loans from an Affiliate of the Borrower, a Cancellation (it being understood that such Cancellation shall not constitute a voluntary repayment of Loans for purposes of this Agreement) shall be automatically and irrevocably effected with respect to all of the Loans and related Obligations subject to such Auction Purchase or assignment for no consideration, with the effect that such Loans and related Obligations shall for all purposes of this Agreement and the other Loan Documents no longer be outstanding, and the Loan Parties shall no longer have any Obligations relating thereto; it being understood and agreed that such forgiveness and cancellation shall result in the Loan Parties being irrevocably and unconditionally released from all claims and liabilities relating to such Obligations which have been so cancelled and forgiven, and the Collateral shall cease to secure any such Obligations which have been so cancelled and forgiven.

Notwithstanding anything to the contrary herein, this Section 9.04(c) shall supersede any provisions in Sections 2.13 or 9.06 to the contrary.

(d) Assignments to Affiliated Lenders. Each Lender acknowledges that each Affiliated Lender may purchase or acquire Term Loans hereunder from Lenders from time to time pursuant to (x) a Dutch Auction open to all Lenders of a particular Class of Term Loans subject to such Dutch Auction on a pro rata basis and conducted in accordance with the terms of this Agreement (including, without limitation, this Section 9.04), subject to the restrictions set forth in the definition of “Dutch Auction” and (y) open market purchases, in each case, and subject to the following limitations:

(i) Affiliated Lenders shall not receive information provided solely to Lenders or the Administrative Agent or their respective advisors by the Administrative Agent or any Lender or their respective advisors and shall not be permitted to attend or participate in meetings attended solely by Lenders and the Administrative Agent and their advisors;

(ii) (A) no Affiliated Lender shall be permitted to purchase Term Loans if, as of the date of each Purchase Notice or the effective date of any Auction Purchase, such Affiliated Lender is in possession of any information with respect to any Loan Party or any of their Subsidiaries that (x) has not been disclosed by or on behalf of the Loan Parties or any of their Subsidiaries either (1) publicly, (2) to Lenders generally or (3) otherwise been posted to that portion of the Platform for the Loans that has been designated for “private-side” Lenders and (y) in the Affiliated Lender’s good faith determination would reasonably be expected to have a material effect on the market price of the Loans or otherwise be material with respect to any Loan Party or any of their Subsidiaries or any their respective securities for purposes of United States federal and state securities laws, and (B) each Purchase Notice and each Purchase shall constitute a representation and warranty by such Affiliated Lender as of the date of such Purchase Notice or such Auction Purchase, as applicable, that it is not in possession of any information described in the foregoing clause (A);

(iii) (1) notwithstanding anything in Section 9.08 or the definition of “Required Lenders” to the contrary, for purposes of determining whether the Lenders have (1) consented to any amendment, waiver or modification of any Loan Document (including such modifications pursuant to Section 9.08), (2) otherwise acted on any matter related to any Loan Document, (3) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, or (4) voted on any plan of reorganization pursuant to Title 11 of the United States Code, that in any case does not require the consent of each Lender or each affected Lender or does not adversely affect such Affiliated Lender disproportionately in any material respect as compared to other Lenders, Affiliated Lenders will be deemed to have voted in the same proportion as Lenders that are not Affiliated Lenders voting on such matter; and each Affiliated Lender hereby acknowledges, agrees and consents that if, for any reason, its vote to accept or reject any plan pursuant to Title 11 of the United States Code is not deemed to have been so voted, then such vote will be (x) deemed not to be in good faith and (y) “designated” pursuant to Section 1126(e) of Title 11 of the United States Code such that the vote is not counted in determining whether the applicable class has accepted or rejected such plan in accordance with Section 1126(c) of Title 11 of the United States Code;

(iv) at the time any Affiliated Lender is making purchases of Loans or Commitments, it shall enter into an Affiliated Lender Assignment and Acceptance Agreement;

(v) the aggregate principal amount of all First Out Term Loans which may be purchased by Affiliated Lenders shall in no event exceed 20% of the outstanding principal amount of the First Out Term Loans; and

(vi) the aggregate principal amount of all Last Out Term Loans which may be purchased by Affiliated Lenders shall in no event exceed 20% of the outstanding principal amount of the Last Out Term Loans.

Notwithstanding anything to the contrary herein, this Section 9.04(d) shall supersede any provisions in Sections 2.13 or 9.06 to the contrary.

(e) By executing and delivering an Assignment and Acceptance, the assigning Lender thereunder and the assignee thereunder shall be deemed to confirm to and agree with each other and the other parties hereto as follows: (i) such assigning Lender warrants that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim and that its Term Loan Commitment and the outstanding balances of its Term Loans and Revolving Loans, in each case without giving effect to assignments thereof which have not become effective, are as set forth in such Assignment and Acceptance, (ii) except as set forth in (i) above, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement, or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto, or the financial condition of the Borrower or any Subsidiary or the performance or observance by the Borrower or any Subsidiary of any of its obligations under this Agreement, any other Loan Document or any other instrument or document furnished pursuant hereto; (iii) such assignee represents and warrants that it is an Eligible Assignee legally authorized to enter into such Assignment and Acceptance; (iv) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements referred to in Section 3.05 or delivered pursuant to Section 5.04 and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (v) such assignee will independently and without reliance upon the Administrative Agent, the Collateral Agent, such assigning Lender 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 decisions in taking or not taking action under this Agreement; (vi) such assignee appoints and authorizes the Administrative Agent and the Collateral Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent and the Collateral Agent, respectively, by the terms hereof, together with such powers as are reasonably incidental thereto; (vii) such assignee agrees that it will perform in accordance with their terms all the obligations which by the terms of this Agreement are required to be performed by it as a Lender; and (viii) such assignee agrees that it is bound by and party to the Agreement Among Lenders in its capacity as a First Out Lender or Last Out Lender, as applicable, and shall perform its obligations under the Agreement Among Lenders as required thereunder.

(f) The Administrative Agent, acting for this purpose as a non-fiduciary agent of the Borrower, shall maintain at one of its offices in The City of New York 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 Commitment of, and principal amount (and stated interest) of the Loans 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 and any Lender (in the case of any Lender, with respect to any entry relating to such Lender's Loans), at any reasonable time and from time to time upon reasonable prior notice. Failure to make any such recordation, or any error in such recordation, shall not affect the Borrower's obligations in respect of such Commitment. With respect to any Lender, the transfer of an Obligation of such Lender pursuant to Sections 9.04 or 2.21 and the rights

to the principal of, and interest on, any Obligation made pursuant to such obligation shall not be effective until such transfer is recorded on the Register maintained by the Administrative Agent with respect to ownership of such Obligation and prior to such recordation all amounts owing to the transferor with respect to such Obligation shall remain owing to the transferor. The registration of assignment or transfer of all or part of any Obligations shall be recorded by the Administrative Agent on the Register upon and only upon the acceptance by the Administrative Agent of a properly executed and delivered Assignment and Assumption pursuant to Section 9.04, the appropriate IRS Forms, if applicable, the processing and recordation fee referred to in Section 9.04, if applicable, and the consent of the Administrative Agent and, if required, the Borrower.

(g) Upon its receipt of, and consent to, a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, an Administrative Questionnaire completed in respect of the assignee (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) above, if applicable, and the written consent of the Administrative Agent and, if required, the Borrower (in each case, not to be unreasonably withheld or delayed), to such assignment and any applicable tax forms, the Administrative Agent shall (i) accept such Assignment and Acceptance and (ii) record the information contained therein in the Register. No assignment shall be effective unless it has been recorded in the Register as provided in this paragraph (g).

(h) Each Lender may without the consent of the Borrower or the Administrative Agent sell participations to one or more banks or other Persons (other than a natural person or Holdings, the Borrower or any of their respective Affiliates or Subsidiaries) (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 Commitment and the Loans owing to it); *provided, however*, that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Participants or other Persons shall be entitled to the benefit of the cost protection provisions contained in Sections 2.14, 2.16 and 2.20 to the same extent as if they were Lenders (but, with respect to any particular Participant, to no greater extent than the Lender that sold the participation to such Participant (except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the date the Participant acquired the applicable participation)); and *provided* that such Participant provides the applicable Lender and the Borrower the forms described in Section 2.20 as though it was a Lender providing such forms to the Borrower or the Administrative Agent and (iv) the Borrower, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement, and such Lender shall retain the sole right to enforce the obligations of the Borrower relating to the Loans and to approve any amendment, modification or waiver of any provision of this Agreement (except that the applicable selling Lender may be required to obtain prior consent of a Participant for amendments, modifications or waivers decreasing any fees payable to such Participant hereunder or the amount of principal of or the rate at which interest is payable on the Loans in which such Participant has an interest, extending any scheduled principal payment date or date fixed for the payment of interest on the Loans in which such Participant has an interest, increasing or extending the Commitments in which such Participant has an interest or releasing all or substantially all of the value of the Guarantors' Guarantees of the Obligations) or all or substantially all of the Collateral). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.06 as though it were a Lender; *provided* such Participant agrees to be subject to Section 2.18 as though it were a Lender. 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) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (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 Loan Document) to

any Person 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. 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. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(i) Any Lender or Participant may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 9.04, disclose to the assignee or Participant or proposed assignee or Participant any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided* that, prior to any such disclosure of information designated by the Borrower as confidential, each such assignee or participant or proposed assignee or Participant shall execute an agreement whereby such assignee or participant shall agree (subject to customary exceptions) to preserve the confidentiality of such confidential information on terms no less restrictive than those applicable to the Lenders pursuant to Section 9.16.

(j) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or assignment shall release a Lender from any of its obligations hereunder or substitute any such pledgor or assignee for such Lender as a party hereto.

(k) 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 to 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 will 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 9.04, 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 Administrative Agent) providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (ii) 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.

(l) Neither Holdings nor the Borrower shall assign or delegate any of its rights or duties hereunder without the prior written consent of the Administrative Agent and each Lender, and any attempted assignment without such consent shall be null and void.

(m) In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or sub-participations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all applicable Loans hereunder. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

SECTION 9.05. **Expenses; Indemnity.** (a) The Borrower and Holdings agree, jointly and severally, to pay (or reimburse, as applicable) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and the Collateral Agent in connection with the syndication of the Term Facility and the preparation and administration of this Agreement and the other Loan Documents or in connection with any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions hereby or thereby contemplated shall be consummated) or incurred by the Administrative Agent, the Collateral Agent or any Lender in connection with the enforcement or protection of its rights in connection with this Agreement and the other Loan Documents or in connection with the Loans made hereunder (including any documentary taxes), including all such out of pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans and including, in each case, the reasonable and documented fees, charges and disbursements of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for the Administrative Agent and the Collateral Agent, and, in connection with any such enforcement or protection, the fees, charges and disbursements of each for the Administrative Agent, the Collateral Agent or any Lender; *provided* that the Loan Parties shall not be responsible for such fees, charges and disbursements of more than one separate law firm (in addition to one local counsel per relevant jurisdiction and, in the case of a reasonably perceived or actual conflict of interest where the Indemnitee affected by such conflict retains its own counsel, of another firm of counsel for such affected Indemnitee).

(b) The Borrower and Holdings agree, jointly and severally, to indemnify the Administrative Agent, the Collateral Agent, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnitee**") against, and to hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnitee arising out of, in any way connected with, or as a result of (i) the execution or delivery of this Agreement or any other Loan Document or the Agreement Among Lenders or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder or the consummation of the Transactions and the other transactions contemplated by this Agreement, any other Loan Document or the Agreement Among Lenders (including the syndication of the Term Facility), (ii) the use of the proceeds of the Loans, (iii) any claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not any Indemnitee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or the Subsidiaries; *provided* that such indemnity shall not, as to any Indemnitee, be available to

the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnitee or (y) arise from any dispute among Lenders or their Related Parties (other than any losses, claims, damages, liabilities and related expenses (A) arising out of any act or omission of the Borrower, Holdings or any of their respective subsidiaries or Affiliates or (B) against the Administrative Agent, the Collateral Agent, the Lead Arranger or any other agent or arranger in its capacity as such).

(c) To the extent that Holdings and the Borrower fail to pay any amount required to be paid by them to the Administrative Agent or the Collateral Agent under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent or the Collateral Agent, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or the Collateral Agent in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the sum of the outstanding Term Loans and unused Commitments at the time (in each case, determined as if no Lender were a Defaulting Lender).

(d) To the extent permitted by applicable law, neither Holdings nor the Borrower shall assert, and each hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the Transactions and the other transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee referred to in paragraph (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it using customary industry practices through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e) The provisions of this Section 9.05 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the consummation of the transactions contemplated hereby, the repayment of any of the Loans, the expiration of the Commitments the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Administrative Agent, the Collateral Agent or any Lender. All amounts due under this Section 9.05 shall be payable on written demand therefor.

SECTION 9.06. *Right of Setoff.* If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized, after obtaining the prior written consent of the Administrative Agent, at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower or Holdings against any of and all the obligations of the Borrower or Holdings now or hereafter existing under this Agreement and other Loan Documents held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement or such other Loan Document and although such obligations may be unmatured; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.24 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such

Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender under this Section 9.06 are in addition to other rights and remedies (including other rights of setoff) that such Lender or its Affiliates may have. Each Lender agrees to notify the Borrower and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.07. *Applicable Law.* THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 9.08. *Waivers; Amendment.* (a) No failure or delay of the Administrative Agent, the Collateral Agent or any Lender in exercising any power or right hereunder or under any other Loan Document 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 Administrative Agent, the Collateral Agent and the Lenders hereunder and under the other Loan Documents 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 any other Loan Document or consent to any departure by the Borrower or any other Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, 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 the Borrower or Holdings in any case shall entitle the Borrower or Holdings to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower, Holdings and the Required Lenders; *provided, however*, that no such agreement shall (i) decrease the principal amount of, or extend the maturity of or any scheduled principal payment date or date for the payment of any interest on any Loan or any date for reimbursement of an L/C Disbursement, or waive or excuse any such payment or any part thereof, or decrease the rate of interest on any Loan or L/C Disbursement, without the prior written consent of each Lender directly adversely affected thereby, (ii) increase or extend the Commitment or decrease or extend the date for payment of any fees of any Lender without the prior written consent of such Lender, (iii) amend or modify the provisions of Section 2.25 without the prior written consent of each Lender affected thereby, (iv) amend or modify the pro rata requirements of Section 2.17, the provisions of Section 9.04(l) or the provisions of this Section or release all or substantially all the value of the Guarantors' Guarantees of the Obligations or all or substantially all of the Collateral, without the prior written consent of each Lender, (v) change the provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of one Class differently from the rights of Lenders holding Loans of any other Class without the prior written consent of Lenders holding a majority in interest of the outstanding Loans and unused Commitments of each adversely affected Class, (vi) modify the protections afforded to an SPV pursuant to the provisions of Section 9.04(k) without the written consent of such SPV or (vii) reduce the percentage contained in the definition of the term "Required Lenders" without the prior written consent of each Lender (it being understood that with the consent of the Required Lenders, additional extensions of credit pursuant to this Agreement may be included in the determination of the Required Lenders on substantially the same basis as the Term Loan Commitments); *provided further* that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Collateral

Agent or any other agent named on the cover page hereto hereunder or under any other Loan Document without the prior written consent of the Administrative Agent, the Collateral Agent or such other agent, as applicable.

(c) The Administrative Agent and the Borrower may amend any Loan Document to correct administrative errors or omissions, or to effect administrative changes that are not adverse to any Lender. Notwithstanding anything to the contrary contained herein, such amendment shall become effective without any further consent of any other party to such Loan Document.

(d) Notwithstanding anything to the contrary contained herein, the Administrative Agent, the Collateral Agent (as appropriate) and the Borrower may, without any further consent of any other party to such Loan Document being required, amend any Loan Document (including the Intercreditor Agreement and the Agreement Among Lenders) to the extent (but only to the extent) necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to reflect the incurrence, existence and/or terms of Other Term Loans or Extended Term Loans, and to establish new Classes in respect of the Other Term Loans and Extended Term Loans, and such technical amendments as may be necessary or appropriate in the reasonable opinion of the Administrative Agent and the Borrower in connection with the establishment of such new Classes, in each case on terms consistent with Sections 2.22 and 2.23, as applicable.

(e) Notwithstanding anything to the contrary contained herein, the Agreement Among Lenders may be modified or amended in accordance with the terms thereof without any further consent of the Borrower or any other Loan Party.

SECTION 9.09. Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts which are treated as interest on such Loan or participation in such L/C Disbursement under applicable law (collectively the "**Charges**"), shall exceed the maximum lawful rate (the "**Maximum Rate**") which may be contracted for, charged, taken, received or reserved by the Lender holding such Loan or participation in accordance with applicable law, the rate of interest payable in respect of such Loan or participation hereunder, together with all Charges payable in respect thereof, shall be limited to the Maximum Rate and, to the extent lawful, the interest and Charges that would have been payable in respect of such Loan or participation but were not payable as a result of the operation of this Section 9.09 shall be cumulated and the interest and Charges payable to such Lender in respect of other Loans or participations 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.

SECTION 9.10. Entire Agreement. This Agreement, the Engagement Letter and the other Loan Documents constitute the entire contract between the parties relative to the subject matter hereof. Any other previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement and the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, expressed or implied, is intended to confer upon any Person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Collateral Agent and the Lenders) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

SECTION 9.11. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY

ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.11.

SECTION 9.12. **Severability.** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). 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 9.13. **Counterparts; Electronic Execution.** (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 9.03. Delivery of an executed signature page to this Agreement by facsimile or other electronic image scan transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

(b) The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

SECTION 9.14. **Headings.** Article and Section headings and the Table of Contents 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 9.15. **Jurisdiction; Consent to Service of Process.** (a) Each of Holdings and the Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or the other Loan Documents, 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 the Administrative Agent, the Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or the other Loan Documents against the Borrower, Holdings or their respective properties in the courts of any jurisdiction.

(b) Each of Holdings and the Borrower hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, 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 or the other Loan Documents in any New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. 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 9.16. Confidentiality. Each of the Administrative Agent, the Collateral Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and to its Related Parties and administration, numbering, settlement and other similar service providers (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent (i) required by applicable laws or regulations or by any subpoena or similar legal process or (ii) requested by any regulatory authority or quasi-regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto; (e) in connection with the exercise of any remedies hereunder or under the other Loan Documents or any suit, action or proceeding relating to the enforcement of its rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 9.16, to (i) any actual or prospective assignee of or participant in any of its rights or obligations under this Agreement and the other Loan Documents or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower or any Subsidiary or any of their respective obligations, (h) with the consent of the Borrower, (i) on a confidential basis to (i) any rating agency in connection with rating Holdings, the Borrower or their Subsidiaries or the Facilities or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers with respect to the Facilities, (j) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 9.16 or (y) becomes available to the Administrative Agent, the Collateral Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Loan Parties or (k) in connection with: (i) the establishment of any SPV with respect to the Term Loans and (ii) any actual or proposed credit facility for loans, letters of credit or other extensions of credit to or for the account of such Agent or Lender or any of its Affiliates, including to any Person providing or proposing to provide such loan, letter of credit or other extension of credit or any agent, trustee or representative of such Person (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential). In addition, each Agent and each Lender may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar services providers to the lending industry. For the purposes of this Section, “**Information**” shall mean all information received from any Loan Party or any of their respective Subsidiaries and related to any Loan Party or any of their respective Subsidiaries or their business, other than any such information that was available to the Administrative Agent, the Collateral Agent or any Lender on a nonconfidential basis prior to its disclosure by the Borrower or Holdings; *provided* that, in the case of Information received from any Loan Party or any of their respective Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 9.16 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord its own confidential information.

SECTION 9.17. **Lender Action.** Each Lender agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party or any other obligor under any of the Loan Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Loan Party, unless expressly provided for herein or in any other Loan Document, without the prior written consent of the Administrative Agent. The provisions of this Section 9.17 are for the sole benefit of the Lenders and shall not afford any right to, or constitute a defense available to, any Loan Party.

SECTION 9.18. **USA PATRIOT Act Notice.** Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies Holdings and the Borrower that pursuant to the requirements of the USA PATRIOT Act, it is required to obtain, verify and record information that identifies Holdings and the Borrower, which information includes the name and address of Holdings and the Borrower and other information that will allow such Lender or the Administrative Agent, as applicable, to identify Holdings and the Borrower in accordance with the USA PATRIOT Act.

SECTION 9.19. **No Fiduciary Duty.** The Administrative Agent, the Collateral Agent, each Lender and their respective Related Parties (collectively, solely for purposes of this Section 9.19, the "**Lenders**"), may have economic interests that conflict with those of Holdings, the Borrower and their Subsidiaries and their respective Related Parties (collectively, solely for purposes of this Section 9.19, the "**Loan Parties**"). Each Loan Party agrees that nothing in the Loan 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 Loan Party, on the other. Holdings and the Borrower acknowledge and agree that (i) the transactions contemplated by the Loan 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 Loan 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 Loan 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 Loan Party, its stockholders or its Affiliates on other matters) or any other obligation to any Loan Party except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Loan Party, its management, stockholders, creditors or any other Person. Holdings and the Borrower acknowledge and agree that each Loan Party 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. Holdings and the Borrower agree that the Loan Parties will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to any Loan Party, in connection with such transaction or the process leading thereto.

SECTION 9.20. **OTHER LIENS ON COLLATERAL; TERMS OF INTERCREDITOR AGREEMENT; TERMS OF THE AGREEMENT AMONG LENDERS, ETC.** (a) EACH LENDER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT LIENS SHALL BE CREATED ON THE COLLATERAL PURSUANT TO THE ABL DOCUMENTS, WHICH LIENS SHALL BE SUBJECT TO TERMS AND CONDITIONS OF THE INTERCREDITOR AGREEMENT. PURSUANT TO THE EXPRESS TERMS OF THE INTERCREDITOR AGREEMENT, IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND ANY OF THE LOAN DOCUMENTS, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

(b) EACH LENDER AUTHORIZES AND INSTRUCTS THE ADMINISTRATIVE AGENT AND THE COLLATERAL AGENT TO ENTER INTO THE INTERCREDITOR AGREEMENT ON BEHALF OF THE LENDERS, AND TO TAKE ALL ACTIONS (AND EXECUTE ALL DOCUMENTS) REQUIRED (OR DEEMED ADVISABLE) BY IT IN ACCORDANCE WITH THE TERMS OF THE INTERCREDITOR AGREEMENT.

(c) THE PROVISIONS OF THIS SECTION 9.20 ARE NOT INTENDED TO SUMMARIZE ALL RELEVANT PROVISIONS OF THE INTERCREDITOR AGREEMENT, THE FORM OF WHICH IS ATTACHED AS AN EXHIBIT TO THIS AGREEMENT. REFERENCE MUST BE MADE TO THE INTERCREDITOR AGREEMENT ITSELF TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NONE OF THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE INTERCREDITOR AGREEMENT.

(d) EACH LENDER ACKNOWLEDGES THAT IT IS A PARTY TO AND BOUND BY THE AGREEMENT AMONG LENDERS. EACH LENDER AGREES THAT CERTAIN OF ITS RIGHTS HEREUNDER MAY BE LIMITED BY OR SUBJECT TO ADDITIONAL REQUIREMENTS CONTAINED IN THE AGREEMENT AMONG LENDERS, AND THE BORROWER ACKNOWLEDGES THE AGREEMENT AMONG LENDERS MAY LIMIT OR IMPOSE ADDITIONAL REQUIREMENTS ON LENDERS RIGHTS HEREUNDER, AND THAT THE AGREEMENT AMONG LENDERS MAY BE MODIFIED FROM AMENDED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS THEREOF, WITHOUT THE CONSENT OF THE BORROWER OR ANY OTHER LOAN PARTY.

[Remainder of page intentionally left blank; signature pages follow.]

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.

SPORTSMAN'S WAREHOUSE, INC.

by: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

by: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

by: /s/ John D. Toronto

Name: John D. Toronto

Title: Authorized Signatory

by: /s/ Michael Spaight

Name: Michael Spaight

Title: Authorized Signatory

[Signature Page to Credit Agreement]

by: /s/ John D. Toronto

Name: John D. Toronto

Title: Authorized Signatory

by: /s/ Michael Spaight

Name: Michael Spaight

Title: Authorized Signatory

[Signature Page to Credit Agreement]

by: /s/ John D. Toronto

Name: John D. Toronto

Title: Authorized Signatory

by: /s/ Michael Spaight

Name: Michael Spaight

Title: Authorized Signatory

[Signature Page to Credit Agreement]

Schedule 1.01(a)

Subsidiary Guarantors

Sportsman's Warehouse Southwest, Inc., a California corporation

Minnesota Merchandising Corp., a Minnesota corporation

Pacific Flyway Wholesale, LLC, a Delaware limited liability company

Schedule 1.01(b)

Mortgaged Property

None.

Schedule 2.01

Lenders and Commitments

<u>Lender</u>	<u>Class</u>	<u>Amount</u>
Credit Suisse AG	First Out Term Loans	\$185,000,000
Credit Suisse AG	Last Out Term Loans	\$ 50,000,000

Schedule 3.08

Subsidiaries

Subsidiaries of Holdings and the percentage ownership interest of Holdings, the Borrower or the applicable Subsidiary therein:

Name of Shareholder	Name of Subsidiaries the Equity Interest of Which Are Held by Stockholder	Authorized Capital Stock	Issued and Outstanding Shares of Capital Stock	Shareholder Percentage Ownership
Sportsman's Warehouse Holdings, Inc.	Sportsman's Warehouse, Inc.	1,000 shares of common stock, \$0.01 par value	100 shares of common stock	100%
	Minnesota Merchandising Corp.	1,000 shares of common stock, \$0.01 par value	100 shares of common stock	100%
Sportsman's Warehouse, Inc. (Borrower)	Sportsman's Warehouse Southwest, Inc.	1,000 shares of common stock, \$0.01 par value	100 shares of common stock	100%
	Pacific Flyway Wholesale LLC	Percentage Interests	100% of the Percentage Interests	100%
Minnesota Merchandising Corp.	None.	N/A	N/A	N/A
Sportsman's Warehouse Southwest, Inc.	None.	N/A	N/A	N/A
Pacific Flyway Wholesale LLC	None.	N/A	N/A	N/A

Schedule 3.09

Litigation

None.

Schedule 3.17

Environmental Matters

None.

Schedule 3.18

Insurance

<u>Type</u>	<u>Policy #/Period</u>	<u>Limits</u>	<u>Deductible</u>	<u>Premiums</u>
National Union Fire Insurance Co.	***	Agent: Diversified Insurance / Carpenter Moore		
Directors & Officers	4/1/13 - 4/1/14	***	***	
Employment Practices	4/1/13 - 4/1/14	***	***	
Third Party Discrimination	4/1/13 - 4/1/14	***	***	
Fiduciary	4/1/13 - 4/1/14	***	***	\$***
Federal Insurance Company	***	Agent: Diversified Insurance / Carpenter Moore		
D&O EPLI - Excess	4/1/13 - 4/1/14	***	N/A	\$***
Worker's Comp		Agent: Lockton Companies		
All other Locations - Berkshire Hathaway	***		Varies	\$***
CA Locations - Cypress Ins. Co.	***		Varies	\$***
OR Locations - Continental Divide Ins Co.	***		Varies	\$***
	11/1/12 - 11/1/13	(A) ***		
GL, Property, Umbrella				
		Agent: Lockton Companies		
General Liability				
All other locations	***			\$***
California/Nevada Stores	***			\$***
Kentucky/Mississippi Stores	***			\$***
Alaska Stores	***		***	\$***
	11/1/12 - 11/1/13	***		

Property - Affiliated FM	11/1/12 - 11/1/13	***	***	\$***
		(Other Deductibles: ***)		

Umbrella - National Union Fire Ins of PA	11/1/12 - 11/1/13	***	***	\$***
XS Quake - QBE	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***		\$***
Auto - Depositors Ins Co	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	\$***

(A) ***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Type</u>	<u>Policy #/Period</u>	<u>Limits</u>	<u>Deductible</u>	<u>Premiums</u>
Ocean Cargo - Lloyds of London	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	***
Crime - National Union Fire of PA	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	***
Network Security - Network Security	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Schedule 3.19(a)

UCC Filing Offices

Loan Party	UCC Filing Office	Address
Sportsman's Warehouse Holdings, Inc. Sportsman's Warehouse, Inc.	Utah Department of Commerce, Division of Corporations and Commercial Code	160 E. 300 S. 2nd Floor Salt Lake City, UT 84111
Minnesota Merchandising Corp.	Minnesota Secretary of State	60 Empire Dr. Suite 100 Saint Paul, MN 55103
Sportsman's Warehouse Southwest, Inc.	California Secretary of State	Uniform Commercial Code P.O. Box 942835 Sacramento, CA 94235-0001
Pacific Flyway Wholesale, LLC	Delaware Secretary of State	Secretary of State's Office- Dover 401 Federal Street Dover, DE 19901

Schedule 3.20(a)

Owned Real Property

1. Sportsman's Warehouse, Inc. owns a small outparcel located at 41 W. 84th Avenue, Thornton, Colorado 80260. The estimated market value of the property is \$376,768 and it is not a Material Real Property.

Schedule 3.20(b)

Leased Real Property

1. Mesa, Arizona

Address: 1750 South Greenfield Rd., Mesa, AZ 85206-3481

Lease: Lease dated October 15, 2012 between Spirit SPE Portfolio 2012-4, LLC and Sportsman's Warehouse, Inc.

Guaranty: Guaranty of Lease dated October 15, 2012 by Sportsman's Warehouse Holdings, Inc. in favor of Spirit SPE Portfolio 2012-4, LLC.

2. Phoenix, Arizona

Address: 19205 North 27th Ave., Phoenix, AZ 85027

Lease: Lease dated October 15, 2012 between Spirit SPE Portfolio 2012-4, LLC and Sportsman's Warehouse, Inc.

Guaranty: Guaranty of Lease dated October 15, 2012 by Sportsman's Warehouse Holdings, Inc. in favor of Spirit SPE Portfolio 2012-4, LLC.

3. Loveland, Colorado

Address: 1675 Rocky Mountain Ave., Loveland, CO 80538

Lease: Lease dated October 15, 2012 between Spirit SPE Portfolio 2012-4, LLC and Sportsman's Warehouse, Inc.

Guaranty: Guaranty of Lease dated October 15, 2012 by Sportsman's Warehouse Holdings, Inc. in favor of Spirit SPE Portfolio 2012-4, LLC.

4. Thornton, Colorado

Address: 11 West 84th Ave, Thornton, CO 80260

Lease: Lease dated October 15, 2012 between Spirit SPE Portfolio 2012-4, LLC and Sportsman's Warehouse, Inc.

Guaranty: Guaranty of Lease dated October 15, 2012 by Sportsman's Warehouse Holdings, Inc. in favor of Spirit SPE Portfolio 2012-4, LLC.

5. Ankeny, Iowa

Address: 921 SE Oralabor Rd., Ankeny, IA 50021

Lease: Lease dated October 15, 2012 between Spirit SPE Portfolio 2012-4, LLC and Sportsman's Warehouse, Inc.

Guaranty: Guaranty of Lease dated October 15, 2012 by Sportsman's Warehouse Holdings, Inc. in favor of Spirit SPE Portfolio 2012-4, LLC.

6. Midvale, Utah

Address: 165 West 7200 South, Midvale, UT 84047

Lease: Lease dated October 15, 2012 between Spirit SPE Portfolio 2012-4, LLC and

Sportsman's Warehouse, Inc.

Guaranty: Guaranty of Lease dated October 15, 2012 by Sportsman's Warehouse Holdings, Inc. in favor of Spirit SPE Portfolio 2012-4, LLC.

7. Anchorage, Alaska

Address: 8681 Old Seward Highway, Anchorage, AK 99515

Lease: Lease dated July 30, 2003 between ANC Hawkins (as assignee of Gary R. Hawkins and Hawkins Companies) and ANC Dimond LLC, and Sports Warehouse, Inc.

Guaranty: Guaranty of Lease dated November 23, 2003 by Sportsman's Warehouse Holdings, Inc. in favor of ANC Dimond LLC.

8. Fairbanks, Alaska

Address: 423 Merhar Avenue, Fairbanks, AK 99701-3166

Lease: Lease dated December 28, 2004 between Aurora Center LLC, Cascade I, LLC and Cornell III, LLC (as assignees of P.O'B. Montgomery & Company) and Sportsman's Warehouse, Inc., as amended by that Amendment dated April 1, 2009.

9. Soldotna, Alaska

Address: 44402 Sterling Highway, Soldotna, AK 9969-8033

Lease: Lease dated November 18, 2010 between SXQ Company LLC and Sportsman's Warehouse, Inc., as amended by that First Amendment dated December 8, 2010.

10. Wasilla, Alaska

Address: 1901 East Parks Highway, Wasilla, AK 99654

Lease: Lease dated February 27, 2007 between G&M Wasilla LLC (as assignee to GRH Jenks LLC, MRH Venture Capital LLC) and Sportsman's Warehouse, Inc., as amended by that First Amendment dated March 1, 2009.

Guaranty: Guarantee of Lease dated February 23, 2007 by Sportsman's Warehouse Holdings, Inc. in favor of G&M Wasilla LLC (as assignee to GRH Jenks LLC, MRH Venture Capital LLC).

11. Tucson, Arizona

Address: 3945 West Costco Drive, Marana (Tucson), AZ 85741

Lease: Lease dated November 11, 2004 between HCo Marana LLC, Gary R. Hawkins and Sportsman's Warehouse, Inc., as amended by that Amendment dated March 1, 2009.

Guaranty: Guaranty of Lease dated November 11, 2004 by Sportsman's Warehouse Holdings, Inc., in favor of HCo Marana LLC and Gary R. Hawkins.

12. Redding, California

Address: 1659 Hilltop Drive, Redding, CA 96002-0240

Lease: Lease dated March 31 2011 between GRH California LLC, GP Hilltop LLC (as assignee to 7% of GRH California LLC's interest), MRH Redding LLC and Sportsman's Warehouse Southwest, Inc., as amended by that First Amendment

dated August 8, 2011, as amended by that Second Amendment dated May 18, 2012, and as amended by that Third Amendment dated November 1, 2012.

Guaranty: Guarantee of Lease dated April 20, 2011 by Sportsman's Warehouse Holdings, Inc. in favor of GRH California LLC, GP Hilltop LLC (as assignee to 7% of GRH California LLC's interest) and MRH Redding LLC.

13. Rocklin, California

Address: 6640 Lonetree Blvd., Rocklin, CA 95765

Lease: Lease dated June 1, 2005 between MGP X Properties LLC (as assignee of Rocklin Retail LLC) and Sportsman's Warehouse Southwest, Inc. (as assignee of Sportsman's Warehouse, Inc.), as amended by that First Amendment dated May 11, 2006, as amended by that Second Amendment dated October 31, 2007, as amended by that Third Amendment dated May 7, 2009.

14. Colorado Springs, Colorado

Address: 555 North Chelton Road, Colorado Springs, CO 80909-5217

Lease: Lease dated June 27, 2005 between MMP Citadel LLC (as assigned of Macerich Citadel Limited Partnership) and Sportsman's Warehouse, Inc., as amended by that First Amendment dated May 1, 2009.

15. Grand Junction, Colorado

Address 2464 US Highway 6 & 50, Suite A, Grand Junction, CO 81505

Lease: Lease dated July 25, 2001 between AIG Baker Grand Junction, LLC and Sports Warehouse, Inc., as amended by that First Amendment dated June 30, 2002.

16. Idaho Falls, Idaho

Address: 2909 South 25th East, Idaho Falls, ID 83405

Lease: Lease dated June 15, 2000 between William H Ziering (as assignee of Teton Spectrum LLC) and Sports Warehouse, Inc., as amended by that First Amendment dated May 31, 2002, as further amended by that Amendment to Lease dated March 1, 2009.

17. Lewiston, Idaho

Address: 2002 Thain Grade, Lewiston, ID, 83501-4105

Lease: Lease dated June 20, 2012 between McCann Ranch & Livestock Co. and Sportsman's Warehouse, Inc., as amended by that First Amendment dated September 6, 2012.

18. Meridian, Idaho

Address: 3797 East Fairview Avenue, Meridian, ID 83642

Lease: Lease dated November 15, 1999 between TFCM Associates LLC and Sports Warehouse, Inc., as amended by that First Amendment dated April 6, 2000.

19. Nampa, Idaho

Address: 16865 North Market Place Blvd., Nampa, ID 83687

Lease: Lease dated May 30, 2012 between Trade Zone Associates and Mabury Village and Sportsman's Warehouse, Inc.

20. Twin Falls, Idaho

Address: 1940 Bridgeview Blvd., Twin Falls, ID 83301

Lease: Lease dated April 17, 2003 between Canyon Park LLC and Sports Warehouse, Inc., as amended by that Amendment dated March 1, 2009.

21. Lexington, Kentucky

Address: 2200 War Admiral Way, Suite 140, Lexington, KY 40509

Lease: Lease dated March 25, 2010 between War Admiral Place, LLC and Sportsman's Warehouse, Inc., as amended by that First Amendment dated January 30, 2012.

22. Southaven, Mississippi

Address: 130 Marathon Way, Southaven, MS 38671

Lease: Lease dated November 17, 2010 between Lucknow, LLC, Nolin SW, LLC and Sportsman's Warehouse, Inc.

Guaranty: Guarantee of Lease dated November 12, 2010 by Sportsman's Warehouse Holdings, Inc. in favor of Lucknow, LLC and Nolin SW, LLC.

23. Las Vegas, Nevada

Address: 5647 Centennial Center Boulevard, Las Vegas, NV 89149-7104

Lease: Lease dated June 27, 2011 between Centennial Gateway, LLC and Sportsman's Warehouse, Inc., as amended by that First Amendment to Lease dated March 23, 2012.

24. Reno, Nevada

Address: 3306 Kietzke Lane, Reno, NV 89502

Lease: Lease dated September 18, 2003 between Kietzke Plaza LLC and Sports Warehouse, Inc., as amended by that Amendment dated April 15, 2004, as amended by that Second Amendment dated August 1, 2004.

25. Albuquerque, New Mexico

Address: 1450 Renaissance Blvd. NE, Albuquerque, NM 87107

Lease: Lease dated March 18, 2004 between Kenneth D. Knievel, Marjorie A. Knievel, Kenneth Donald Knievel, Karen M. Knievel, Kenneth Donald Knievel, Karen Louise Knievel, David Alan Knievel, Marbery Ann Knievel, Charles E. Scheid, Pauline Scheid, Arthur T. Koldeway and Agnes R. Koldeway (as assignees of TMRED 10, LLC) and Sportsman's Warehouse, Inc., as amended by that Amendment dated April 14, 2005, as amended by that Second Amendment dated March 1, 2009.

26. Farmington, New Mexico

Address: 4905 E. Main St., Farmington NM 87402-8657

Lease: Lease dated August 28, 2012 between Farmington SWH LLC (as assignees of Hawkins-Smith & Christensen LLC) and Sportsman's Warehouse, Inc.

27. Medford, Oregon

Address: 1710 Delta Waters Road, Medford, OR 97504

Lease: Lease dated May 15, 2007 between Crater Lake Venture, LLC and Sportsman's Warehouse, Inc., as amended by that Fourth Amendment dated March 1, 2009. Note that the Fourth Amendment is the only amendment to this agreement.

28. Columbia, South Carolina

Address: 476 Piney Grove Road, Columbia, SC 29210

Lease: Lease dated September 30, 2005 between Boise Spectrum LLC, GRH Kaysville LLC and MRH Venture Capital LLC and Sportsman's Warehouse, Inc., as amended by that Second Amendment, dated March 15, 2006, that Third Amendment dated July 15, 2008, and that Fourth Amendment dated March 1, 2009.

Guaranty: Guarantee of Lease dated September 27, 2005 by Sportsman's Warehouse Holdings, Inc. in favor of Boise Spectrum LLC, GRH Kaysville LLC and MRH Venture Capital LLC.

29. Chattanooga, Tennessee

Address: 6241 Perimeter Drive, Suite 101, Chattanooga, TN 37421

Lease: Lease dated July 28, 2005 between G&M Chattanooga, Slovis Chattanooga LLC (as assignee of Boise Spectrum LLC, 5-Mile Plaza, MRK Venture Capital LLC, Slovis & Associates, LLC) and Sportsman's Warehouse, Inc., as amended by that First Amendment dated November 30, 2005, that Second Amendment dated February 22, 2006, that Third Amendment dated March 15, 2006, and that Fourth Amendment dated January 1, 2007.

Guaranty: Guarantee of Lease dated July 25, 2005 by Sportsman's Warehouse Holdings, Inc. in favor of G&M Chattanooga and Slovis Chattanooga LLC (as assignee of Boise Spectrum LLC, 5-Mile Plaza, MRK Venture Capital LLC, Slovis & Associates, LLC).

30. Provo, Utah

Address: 1075 South University Avenue, Provo, UT 84601

Lease: Lease Agreement dated November 1, 1997 between East Bay Center LLC (as assignee of East Bay Development Company Inc.) and Sports Warehouse, Inc., as amended by that First Amendment dated May 29, 2002, as amended by that Second Amendment dated May 2004, as amended by that Third Amendment dated March 1, 2009.

31. Midvale, Utah

Address: 7035 S. High Tech Drive, Suite 200, Midvale, UT 84047

Lease: Lease dated May 31, 2002 by and between Scott Nielsen dba 7037 South Warehouse LLC and Pacific Flyway Wholesale, Inc., as amended by that Amendment to Lease dated January 24, 2003, that Second Amendment to Lease dated February 2004, that Third Amendment to Lease dated March 19, 2007, that Fourth Amendment to Lease dated March 1, 2009, that Fifth Amendment to Lease dated February 23, 2012, and that Lease Confirmation Memorandum dated November 17, 2011.

32. Riverdale, Utah

Address: 1137 West Riverdale Road, Riverdale, UT 84405

Lease: Commercial Lease dated March 24, 1998 between DDR Riverdale South LLC (as assignee of Riverdale Retail Associates, LC, DDR Riverdale Associates LLC, DDR Family Centers, LP, Rocky Mountain Real Estate, LLC) and Sports Warehouse, Inc., as amended by that Lease Amendment dated July 30, 1998, that Second Lease Amendment dated October 21, 1998, that Third Lease Amendment dated March 23, 1999, and that Lease Renewal Notice Letter dated March 11, 2009.

33. St. George, Utah

Address: 2957 East 850 North, St. George, UT 84790

Lease: Lease dated June 30, 2005 between Miller Properties St. George, LLC (as assignee to MRH Venture Capital LLC, GRH St. George LLC, GRH South Ogden LLC) and Sportsman's Warehouse, Inc., as amended by that First Amendment dated December 30, 2005, that Second Amendment dated March 15, 2006, that Third Amendment dated December 12, 2006 and that Fourth Amendment dated March 16, 2009.

Guaranty: Guarantee of Lease dated June 28, 2005 by Sportsman's Warehouse Holdings, Inc. in favor of Miller Properties St. George, LLC (as assignee to MRH Venture Capital LLC, GRH St. George LLC, GRH South Ogden LLC).

34. West Jordan, Utah

Address: 9669 South Prosperity Road, West Jordan, UT 84081

Lease: Lease Agreement for Sportsman's Warehouse Building dated January 13, 2010 between KPFN Properties, LLC, and Sportsman's Warehouse, Inc., as amended by that Amendment to Lease dated February 23, 2010, that Second Amendment to Lease dated March 15, 2010, and that Third Amendment to Lease dated December 2010; Sublease dated September 12, 2012 between Sportsman's Warehouse, Inc. and Integracore, LLC.

35. Roanoke, Virginia

Address: 3550 Ferncliff Avenue N.W., Roanoke, VA 24107

Lease: Lease dated November 28, 2011 between G&M Fargo LLC, MRH Venture Capital LLC and Sportsman's Warehouse, Inc.

Guaranty: Guarantee of Lease dated November 28, 2011 by Sportsman's Warehouse Holdings, Inc. in favor of G&M Fargo LLC and MRH Venture Capital LLC.

36. Puyallup, Washington

Address: 120 31st Avenue SE, Suite G, Puyallup, WA 98374

Lease: Lease dated May 13, 2011 between South Hill Village Limited Partnership and Sportsman's Warehouse, Inc.

37. Casper, Wyoming

Address: 4120 East 2nd Street, Casper, WY 82609-2319

Lease: Lease dated January 25, 2005 between GRH Casper LLC, MKJ Casper LLC (as assignee of Boise Surplus 2002 LLC, MKJ Casper LLC, GRH Kaysville LLC) and Sportsman's Warehouse, Inc.

Guaranty: Guarantee of Lease dated January 25, 2005 by Sportsman's Warehouse Holdings, Inc. in favor of GRH Casper LLC and MKJ Casper LLC (as assignee of Boise Surplus 2002 LLC, MKJ Casper LLC, GRH Kaysville LLC).

1. **Cheyenne, Wyoming**

Address: 3745 East Lincoln Way, Cheyenne, WY 82001

Lease: Lease dated October 11, 2012 between SW Cheyenne, LLC and Sportsman's Warehouse, Inc.

2. **Carson City, Nevada**

Address: 1443 South Carson Street, Carson City, NV 89701

Lease: Lease dated June 10, 2013 between The Carrington Company and Sportsman's Warehouse, Inc.

3. **Wenatchee, Washington**

Address: 611 Valley Mall Parkway, East Wenatchee, WA 98801

Lease: Lease dated June 20, 2013 between VCG-Wenatchee Valley Mall, LLC and Sportsman's Warehouse, Inc.

4. **Hillsboro, Oregon**

Address: 18645 NW Tanasbourne Drive, Hillsboro, OR 97124-7129

Lease: Lease dated July 31, 2013 between Tanasbourne Retail Center, LLC and Tanasbourne Robinson & Sons, LLC and Sportsman's Warehouse, Inc.

5. **Logan, Utah**

Address: 91 E 1400 N, Logan, Utah 84341

Lease: Lease dated January 10, 2013 between Black Sheep Land Company, LLC and Sportsman's Warehouse, Inc., as amended by that First Amendment dated March 27, 2013.

6. **Salt Lake City, Utah**

Address: 1630 South 5070 West, Salt Lake City, Utah 84104; 1730 South 5200 West, Salt Lake City, UT 84104¹

Lease: Lease dated September 12, 2012 between Natomas Meadows, LLC and Pacific Flyway Wholesale, LLC, as amended by that First Amendment dated April 2013, and as amended by that Second Amendment dated June 12, 2013.

¹ This location is for a powder bunker at the facility, which is part of the lease.

7. **Bozeman, Montana**

Address: 2214 Tschache Lane, Bozeman, Montana 59715

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated June 26, 2006, as amended by amendments dated August 17, 2006 and March 11, 2013.

8. **Helena, Montana**

Address: 2990 N. Sanders Road, Helena, Montana 59601

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated May 24, 2007, as amended by amendment dated March 11, 2013.

9. **Missoula, Montana**

Address: 2323 North Reserve Street, Missoula, Montana 59808

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated September 17, 2002, as amended by amendments dated September 1, 2011 and March 11, 2013.

10. **Bend, Oregon**

Address: 63492 Hunnell Road, Bend, Oregon 97701

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated January 19, 2005, as amended by amendments dated May 2009 and March 11, 2013.

11. **Portland, Oregon**

Address: 9401 East 82nd Avenue, Portland (Clackamas), Oregon 97222

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated February 11, 2003, as amended by instruments dated July 9, 2004, July 10, 2009, and June 8, 2010.

12. **Salem, Oregon**

Address: 1260 Lancaster Drive SE, Salem, Oregon 97317

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated March 11, 2002, as amended by amendments dated March 15, 2002, May 9, 2002, May 19, 2005, August 8, 2005 and March 11, 2013.

13. **Federal Way, Washington**

Address: 1405 S. 348th Street, Federal Way, Washington 98003

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated December 5, 2003.

14. Kennewick, Washington

Address: 6603 West Canal Drive, Kennewick, Washington 99336

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated April 15, 2002, as amended by amendments dated September 7, 2003 and March 11, 2013.

15. Silverdale, Washington

Address: 9577 Ridgetop Blvd., N.W., Suite 150, Silverdale, Washington 98383

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated January 29, 2004, as amended by amendments dated December 7, 2011 and March 11, 2013.

16. Vancouver, Washington

Address: 11505 NE Fourth Plan Road, Vancouver, Washington 98662

Lease: Lease Assignment and Assumption Agreement dated March 11, 2013 between Wholesale Sports USA, Inc. and Sportsman's Warehouse, Inc. with respect to the Lease dated February 28, 2006, as amended by the First Amendment to Lease dated June 5, 2006.

17. South Jordan, Utah

Address: ***

Lease: Residential Rental Agreement dated June 20, 2013 between *** and Sportsman's Warehouse, Inc.²

² Apartment lease for CEO.

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Schedule 4.02(a)

Local Counsel

Utah:

Ray Quinney & Nebeker P.C.
36 South State Street, Suite 1400
Salt Lake City, Utah 84111

Minnesota:

Lindquist & Vennum
4200 IDS Center
80 South 8th Street
Minneapolis, MN 55402 US

Schedule 5.14

Post-Closing Actions

1. On or prior to the 30th day (or such later date as the Collateral Agent may agree in its sole discretion) following the Closing Date, the Collateral Agent shall have received (i) duly executed and delivered Control Agreements (as defined in the Guarantee and Collateral Agreement) with respect to the accounts listed below under the heading "Accounts" of the Grantors, in each case, in form and substance reasonably satisfactory to the Collateral Agent (or shall have provided evidence reasonably satisfactory to the Collateral Agent that such accounts are closed or that Control Agreements are not required to be delivered in accordance with Section 4.04(b) of the Guarantee and Collateral Agreement for any such account), together with (ii) executed and delivered terminations, amendments, and/or replacements of the Control Agreements listed below under the heading "Existing Control Agreements," in each case, in form and substance reasonably satisfactory to the Collateral Agent:

Accounts

U.S. Bank National Association

One US Bank Plaza
7th & Washington
St. Louis, Missouri 63101

Loan Party

Sportsman's Warehouse, Inc.

<u>Account Number</u>	<u>Account Type</u>
***	Concentration Account
***	Controlled Disbursement
***	Main Operating Account
***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account
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***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account
***	Depository Account

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Loan Party
Pacific Flyway Wholesale, LLC

<u>Account Number</u>	<u>Account Type</u>
***	Controlled Disbursement
***	Operating Account

Existing Control Agreements

- U.S. Bank Blocked Account Control Agreement, dated April 5, 2013, by and among Sportsman’s Warehouse, Inc., Pacific Flyway Wholesale, LLC, Wells Fargo Retail Finance, LLC, as collateral agent under the ABL Security Agreement, U.S. Bank National Association, and Credit Suisse AG, as collateral agent under the Term Loan Agreement.
- U.S. Bank Blocked Account Control Agreement, dated April 5, 2013, by and among Sportsman’s Warehouse, Inc., Pacific Flyway Wholesale, LLC, Sportsman’s Warehouse Southwest, Inc., Wells Fargo Retail Finance, LLC, as collateral agent under the ABL Security Agreement, U.S. Bank National Association, and Credit Suisse AG, as collateral agent under the Term Loan Agreement.
- Wells Fargo Deposit Account Control Agreement - (Access Restricted Immediately – Two Secured Parties) - Sportsman’s Warehouse, Inc., dated March 26, 2013, by and among Sportsman’s Warehouse, Inc., Wells Fargo Bank, National Association, as collateral agent under the ABL Security Agreement, Credit Suisse AG, as collateral agent under the Term Loan Agreement, and Wells Fargo Bank, National Association.
- Wells Fargo Deposit Account and Sweep Investment Control Agreement (Access Restricted after Notice – Two Secured Parties) - Sportsman’s Warehouse, Inc., dated March 26, 2013, by and among Sportsman’s Warehouse, Inc., Wells Fargo Bank, National Association, as collateral agent under the ABL Security Agreement, Credit Suisse AG, as collateral agent under the Term Loan Agreement, and Wells Fargo Bank, National Association.
- Wells Fargo Deposit Account Control Agreement (Access Restricted after Notice – Two Secured Parties) - Pacific Flyway Wholesale, LLC, dated March 26, 2013, by and among Pacific Flyway Wholesale, LLC, Wells Fargo Bank, National Association, as collateral agent under the ABL Security Agreement, Credit Suisse AG, as collateral agent under the Term Loan Agreement, and Wells Fargo Bank, National Association.

2. On or prior to the 30th day (or such later date as the Collateral Agent may agree in its sole discretion) following the Closing Date, the Collateral Agent shall have received satisfactory evidence that the insurance policies required by Section 5.02 have been endorsed as required by Section 5.02(b).

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Schedule 6.01

Existing Indebtedness

None.

Schedule 6.02

Existing Liens

None.

EXHIBIT A

[Form of]

ADMINISTRATIVE QUESTIONNAIRE

Sportman's Warehouse, Inc.

Agent Address: Credit Suisse AG
Eleven Madison Avenue
New York, NY 10010

Return form to: Sean Portrait – Agency Manager
Facsimile: 212-322-2291
Email: agency.loanops@credit-suisse.com

It is very important that **all** of the requested information be completed accurately and that this questionnaire be returned promptly. If your institution is sub-allocating its allocation, please fill out an administrative questionnaire for each legal entity.

Legal Name of Lender to appear in Documentation:

Signature Block Information: _____

- Signing Credit Agreement Yes No
- Coming in via Assignment Yes No
- Type of Lender: _____

(Bank, Asset Manager, Broker/Dealer, CLO/CDO; Finance Company, Hedge Fund, Insurance, Mutual Fund, Pension Fund, Other Regulated Investment Fund, Special Purpose Vehicle, Other - please specify)

Lender Parent: _____

Domestic Address

Eurodollar Address

Contacts/Notification Methods: Borrowings, Paydowns, Interest, Fees, etc.

Primary Credit Contact

Secondary Credit Contact

Name: _____
Company: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
E-Mail Address: _____

Primary Operations Contact

Secondary Operations Contact

Name: _____
Company: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
E-Mail Address: _____

Bid Contact

L/C Contact

Name: _____
Company: _____
Title: _____
Address: _____

Telephone: _____
Facsimile: _____
E-Mail Address: _____

Lender's Domestic Wire Instructions

Bank Name: _____
ABA/Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____

Lender's Foreign Wire Instructions

Currency: _____
Bank Name: _____
Swift/Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____

Agent's Wire Instructions

[Bank Name: _____
ABA/Routing No.: _____
Account Name: _____
Account No.: _____
FFC Account Name: _____
FFC Account No.: _____
Attention: _____
Reference: _____]

Tax Documents

NON-U.S. LENDER INSTITUTIONS:

I. Corporations:

If your institution is incorporated outside of the United States for U.S. federal income tax purposes, and is the beneficial owner of the interest and other income it receives, you must complete one of the following three tax forms, as applicable to your institution: **a.) Form W-8BEN** (*Certificate of Foreign Status of Beneficial Owner*), **b.) Form W-8ECI** (*Income Effectively Connected to a U.S. Trade or Business*), or **c.) Form W-8EXP** (*Certificate of Foreign Government or Governmental Agency*).

A U.S. taxpayer identification number is required for any institution submitting Form W-8ECI. It is also required on Form W-8BEN for certain institutions claiming the benefits of a tax treaty with the U.S. Please refer to the instructions when completing the form applicable to your institution. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **Original tax form(s) must be submitted.**

II. Flow-Through Entities:

If your institution is organized outside the U.S., and is classified for U.S. federal income tax purposes as either a Partnership, Trust, Qualified or Non-Qualified Intermediary, or other non- U.S. flow-through entity, an original **Form W-8IMY** (*Certificate of Foreign Intermediary, Foreign Flow-Through Entity, or Certain U.S. Branches for United States Tax Withholding*) must be completed by the intermediary together with a withholding statement. Flow-through entities other than Qualified Intermediaries are required to include tax forms for each of the underlying beneficial owners.

Please refer to the instructions when completing this form. In addition, please be advised that U.S. tax regulations do not permit the acceptance of faxed forms. **Original tax form(s) must be submitted.**

U.S. LENDER INSTITUTIONS:

If your institution is incorporated or organized within the United States, you must complete and return **Form W-9** (*Request for Taxpayer Identification Number and Certification*). **Please be advised that we request that you submit an original Form W-9.**

Pursuant to the language contained in the tax section of the Credit Agreement, the applicable tax form(s) for your institution must be completed and returned on or before your institution becomes a party to the Credit Agreement, and at such times as are reasonably requested by Borrower or the Administrative Agent. Failure to provide the proper tax form when requested may subject your institution to U.S. tax withholding.

EXHIBIT B-1

[Form of]

NON-AFFILIATED LENDER ASSIGNMENT AND ACCEPTANCE

This Lender Assignment and Acceptance (the “Assignment Agreement”) is dated as of the Assignment Effective Date set forth below and is entered into by and between [the][each]³ Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each]⁴ Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]⁵ hereunder are several and not joint.]⁶ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement (as defined below), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment Agreement as if set forth herein in full.

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions, the Credit Agreement and the Agreement Among Lenders, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement, the Agreement Among Lenders and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, the Agreement Among Lenders, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the][any] Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as [the][an] “Assigned Interest”). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment Agreement, without representation or warranty by [the][any] Assignor.

³ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

⁴ For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

⁵ Select as appropriate.

⁶ Include bracketed language if there are either multiple Assignors or multiple Assignees.

1. Assignor[s]: _____

2. Assignee[s]: _____

3. Borrower: Sportsman’s Warehouse, Inc., a Utah corporation
4. Administrative Agent: Credit Suisse AG, as the administrative agent under the Credit Agreement.
5. Credit Agreement: Credit Agreement, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”), the Borrower, Sportsman’s Warehouse Holdings, Inc., a Utah corporation, the lenders from time to time party thereto, and the Administrative Agent.
6. Agreement Among Lenders: Agreement Among Lenders, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Agreement Among Lenders”), among (a) each of the Lenders listed on the signature pages thereto as “Initial Last Out Lenders”, (b) each of the Lenders listed on the signature pages thereto as “Initial First Out Lenders”, and (c) the Administrative Agent.
7. Assigned Interest[s]:

<u>Assignor[s]</u> ⁷	<u>Assignee[s]</u> ⁸	<u>Class</u> ⁹	<u>Aggregate Amount of Class of Commitment/Loans for all Lenders</u> ¹⁰	<u>Amount of Class of Commitments/Loans Assigned</u> ¹¹	<u>Percentage Assigned of Class of Commitments/Loans</u> ¹²	<u>CUSIP Number</u>
7 List each Assignor, as appropriate.						
8 List each Assignee, as appropriate.						
9 First Out Term Loan or Last Out Term Loan, in each case, noting a particular tranche, if applicable.						
10 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date.						
11 Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date. The amount of the Commitments/Loans of the Assignor subject to this Assignment Agreement shall be in an integral multiple of, and not less than, \$1,000,000 (or, if less, the entire remaining amount of such Assignor’s Commitment/Loans of the relevant Class).						
12 Set forth, to at least 9 decimals, as a percentage of the applicable Class of Commitments/Loans of						

	\$	\$	%
	\$	\$	%
	\$	\$	%
	\$	\$	%

[8. Trade Date: _____]13
 9. Assignment Effective Date: [_____, 201]14

[signature pages follow]

all Lenders thereunder.
 13 To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.
 14 To be inserted by the Administrative Agent and which shall be the Assignment Effective Date of Recordation of Transfer in the Register therefore.

The terms set forth in this Assignment Agreement are hereby agreed to:

ASSIGNOR[S]¹⁵
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]¹⁶
[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

15 Add additional signature blocks as needed.

16 Add additional signature blocks as needed.

[Consented to and]¹⁷ Accepted:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Administrative Agent

By: _____
Name:
Title:

By _____
Name:
Title:

¹⁷ To be added only if the consent of Administrative Agent is required by the terms of the Credit Agreement.

Exhibit B-1-5

[Consented to:

SPORTSMAN'S WAREHOUSE, INC.

By: _____

Name:

Title:]¹⁸

¹⁸ To be added only if the consent of Borrower is required by the terms of the Credit Agreement.

Exhibit B-1-6

STANDARD TERMS AND CONDITIONS FOR
LENDER ASSIGNMENT AND ACCEPTANCE1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the] [such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby and (iv) it is [not] a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement, the Agreement Among Lenders or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any Collateral thereunder, (iii) the financial condition of any Loan Party, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Loan Party, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document or any other instrument or document furnished pursuant hereto or thereto.

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement and an Additional Lender under and as defined in the Agreement Among Lenders, (ii) it meets all the requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement) and an Additional Lender under and as defined in the Agreement Among Lenders, (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder, and under the Agreement Among Lenders as an Additional Lender (as defined in the Agreement Among Lenders) thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of an Additional Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement and the Agreement Among Lenders and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.04 of the Credit Agreement, as applicable, and has received such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent, the Collateral Agent, [the][any] Assignor, or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment Agreement and to purchase [the][such] Assigned Interest (vii) if it is a Foreign Lender, attached to the Assignment Agreement is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee, (viii) if it is not already a Lender under the Credit Agreement, attached to this Assignment Agreement is an Administrative Questionnaire in the form of Exhibit A to the Credit Agreement, and (ix) the

Exhibit B-1-7

Administrative Agent has received a processing and recordation fee of \$3,500 as of the Assignment Effective Date; (b) agrees that (i) it will, independently and without reliance on any Agent, [the][any] Assignor 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 decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender; and (c) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action on its behalf and to exercise such powers under the Credit Agreement and the Agreement Among Lenders as are delegated to the Administrative Agent and Collateral, respectively, by the terms therein, together with such powers as are reasonably incidental thereof.

2. Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Assignment Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Assignment Effective Date.

3. General Provisions. This Assignment Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment Agreement may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment Agreement by facsimile transmission or other electronic image transmission (e.g., "PDF" or "TIF") shall be effective as delivery of a manually executed counterpart of this Assignment Agreement.

4. Governing Law. **THIS ASSIGNMENT AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

EXHIBIT B-2

[Form of]

AFFILIATED LENDER ASSIGNMENT AND ACCEPTANCE

This Affiliated Lender Assignment and Acceptance (the “Assignment Agreement”) is dated as of the Assignment Effective Date set forth below and is entered into by and between [the][each]¹ Assignor identified in item 1 below ([the][each, an] “Assignor”) and [the][each]² Assignee identified in item 2 below ([the][each, an] “Assignee”). [It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]³ hereunder are several and not joint.]⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement (as defined below), receipt of a copy of which is hereby acknowledged by [the][each] Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment Agreement as if set forth herein in full.

[The Assignor is [an Affiliated Lender].] [The Assignee is [an Affiliated Lender].]

For an agreed consideration, [the][each] Assignor hereby irrevocably sells and assigns to [the Assignee][the respective Assignees], and [the][each] Assignee hereby irrevocably purchases and assumes from [the Assignor][the respective Assignors], subject to and in accordance with the Standard Terms and Conditions, the Credit Agreement and the Agreement Among Lenders, as of the Assignment Effective Date inserted by the Administrative Agent as contemplated below (i) all of [the Assignor’s][the respective Assignors’] rights and obligations in [its capacity as a Lender][their respective capacities as Lenders] under the Credit Agreement, the Agreement Among Lenders and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of [the Assignor][the respective Assignors] under the respective facilities identified below (including without limitation any guarantees included in such facilities) and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of [the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)] against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, the Agreement Among Lenders, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by [the][any] Assignor to [the] [any] Assignee pursuant to clauses (i) and (ii) above being referred to herein

- 1 For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
- 2 For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
- 3 Select as appropriate.
- 4 Include bracketed language if there are either multiple Assignors or multiple Assignees.

collectively as [the][an] "Assigned Interest"). Each such sale and assignment is without recourse to [the][any] Assignor and, except as expressly provided in this Assignment Agreement, without representation or warranty by [the][any] Assignor.

1. Assignor[s]: _____

 2. Assignee[s]: _____

- [for [each] Assignee, indicate [Affiliated Lender]]
3. Borrower: Sportsman's Warehouse, Inc., a Utah corporation
 4. Administrative Agent: Credit Suisse AG, as the administrative agent under the Credit Agreement.
 5. Credit Agreement: Credit Agreement, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Borrower, Sportsman's Warehouse Holdings, Inc., a Utah corporation, the lenders from time to time party thereto, and the Administrative Agent.
 6. Agreement Among Lenders: Agreement Among Lenders, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Agreement Among Lenders"), among (a) each of the Lenders listed on the signature pages thereto as "Initial Last Out Lenders", (b) each of the Lenders listed on the signature pages thereto as "Initial First Out Lenders", and (c) the Administrative Agent.

7. Assigned Interest[s]:

<u>Assignor[s]</u> ¹	<u>Assignee[s]</u> ²	<u>Class</u> ³ <u>Assigned</u>	<u>Aggregate</u> <u>Amount of Class</u> <u>of Commitment/</u> <u>Loans for all</u> <u>Lenders</u> ⁴	<u>Amount of Class of</u> <u>Commitments/</u> <u>Loans Assigned</u> ⁵	<u>Percentage</u> <u>Assigned of</u> <u>Class of</u> <u>Commitments/</u> <u>Loans</u> ⁶	<u>CUSIP</u> <u>Number</u>
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	
			\$	\$	%	

[8. Trade Date: _____]⁷

9. Assignment Effective Date: [_____ , 201]⁸

[signature pages follow]

¹ List each Assignor, as appropriate.

² List each Assignee, as appropriate.

³ First Out Term Loan or Last Out Term Loan, in each case, noting a particular tranche, if applicable.

⁴ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date.

⁵ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Assignment Effective Date. The amount of the Commitments/Loans of the Assignor subject to this Assignment Agreement shall be in an integral multiple of, and not less than, \$1,000,000 (or, if less, the entire remaining amount of such Assignor's Commitment/Loans of the relevant Class).

⁶ Set forth, to at least 9 decimals, as a percentage of the applicable Class of Commitments/Loans of all Lenders thereunder.

⁷ To be completed if the if the Assignor(s) ad the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

⁸ To be inserted by the Administrative Agent and which shall be the Assignment Effective Date Recordation of Transfer in the Register therefore.

The terms set forth in this Assignment Agreement are hereby agreed to:

ASSIGNOR[S]¹
[NAME OF ASSIGNOR]

By: _____
Title:

[NAME OF ASSIGNOR]

By: _____
Title:

ASSIGNEE[S]²
[NAME OF ASSIGNEE]

By: _____
Title:

[NAME OF ASSIGNEE]

By: _____
Title:

1 Add additional signature blocks as needed.
2 Add additional signature blocks as needed.

Consented to and Accepted:

CREDIT SUISSE AG,
as Administrative Agent

By: _____
Name:
Title:

By _____
Name:
Title:

Exhibit B-2-5

STANDARD TERMS AND CONDITIONS FOR
AFFILIATED LENDER ASSIGNMENT AND ACCEPTANCE1. Representations and Warranties.

1.1 Assignor[s]. [The][Each] Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the][the relevant] Assigned Interest, (ii) [the] [such] Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby; [and](b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement, the Agreement Among Lenders or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any Collateral thereunder, (iii) the financial condition of any Loan Party, any of their respective Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by any Loan Party, any of their respective Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document or any other instrument or document furnished pursuant hereto or thereto; [and](c) agrees that if [the][any] Assignee sells and assigns all or a portion of [the][their respective] Assigned Interest to any Person, [the][such] Assignee may, in its sole discretion, disclose to any such Person that [the][such] Assignee acquired [the][such] Assigned Interest from [the][such] Assignor¹; and [(c)][(d)] acknowledges that [the][each] Assignee is [an Affiliated Lender] and that it has independently and, except as provided below, without reliance on [the][each] Assignee made its own analysis and determined to enter into this Assignment Agreement and to consummate the transactions contemplated hereby notwithstanding that [the][such] Assignee is [an Affiliated Lender]].

1.2. Assignee[s]. [The][Each] Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment Agreement and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement and an Additional Lender under and as defined in the Agreement Among Lenders, (ii) it meets all the requirements of (A) an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), including, for the avoidance of doubt, that after giving effect to the assignment contemplated hereby, the Affiliated Lenders taken together as a whole will not hold (x) more than 20% of the outstanding principal amount of the First Out Term Loans or (y) more than 20% of the outstanding principal amount of the Last out Term Loans and (B) an Additional Lender under and as defined in the Agreement Among Lenders, (iii) from and after the Assignment Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of a Lender thereunder and under the Agreement Among Lenders as an Additional Lender (as defined in the Agreement Among Lenders) thereunder and, to the extent of [the][the relevant] Assigned Interest, shall have the obligations of an Additional Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement and the Agreement Among Lenders and has received or has

¹ Insert only if an Assignor is an Affiliated Lender.

been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.04 of the Credit Agreement, as applicable, and has received such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment Agreement and to purchase [the][such] Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent, the Collateral Agent, [the][any] Assignor, or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment Agreement and to purchase [the][such] Assigned Interest, (vii) if it is a Foreign Lender, attached to the Assignment Agreement is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by [the][such] Assignee, (viii) if it is not already a Lender under the Credit Agreement, attached to this Assignment Agreement is an Administrative Questionnaire in the form of Exhibit A to the Credit Agreement, [and](ix) the Administrative Agent has received a processing and recordation fee of \$3,500 as of the Assignment Effective Date[, (x) after giving effect to its purchase and acceptance of the Assigned Interest, the aggregate principal amount of all Loans held by the Affiliated Lenders does not exceed 20% of the outstanding aggregate principal amount of all Loans, and (xi) it has not received and shall not receive information provided solely to Lenders or the Administrative Agent or their respective advisors by the Administrative Agent or any Lender or their respective advisors and has not attended and will not attend or participate in meetings attended solely by Lenders and the Administrative Agent and their advisors]¹; (b) agrees that (i) it will, independently and without reliance on any Agent, [the][any] Assignor 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 decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender[, including without limitation, the conditions and limitations set forth in Section 9.04(d) (including the limitation that the aggregate principal amount of all Loans held by the Affiliated Lenders may not exceed 20% of the outstanding aggregate principal amount of all Loans at any time) of the Credit Agreement with respect to it as a Lender and an Affiliated Lender]²; [and](c) appoints and authorizes the Administrative Agent and the Collateral Agent to take such action on its behalf and to exercise such powers under the Credit Agreement and the Agreement Among Lenders as are delegated to the Administrative Agent and Collateral, respectively, by the terms therein, together with such powers as are reasonably incidental thereof; and (d) acknowledges that [the][each] Assignor is an Affiliated Lender and that it has independently and, except as provided above, without reliance on [the][any] Assignor made its own analysis and determined to enter into this Assignment Agreement and to consummate the transactions contemplated hereby notwithstanding that the Assignor is an Affiliated Lender]³.

2. Payments. From and after the Assignment Effective Date, the Administrative Agent shall make all payments in respect of [the][each] Assigned Interest (including payments of principal, interest, fees and other amounts) to [the][the relevant] Assignor for amounts which have accrued to but excluding the Assignment Effective Date and to [the][the relevant] Assignee for amounts which have accrued from and after the Assignment Effective Date.

3. General Provisions. This Assignment Agreement shall be binding upon, and inure to the benefit of,

- 1 Insert only if an Assignee is an Affiliated Lender.
- 2 Insert only if an Assignee is an Affiliated Lender.
- 3 Insert only if an Assignor is an Affiliated Lender.

the parties hereto and their respective successors and assigns. This Assignment Agreement may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment Agreement by facsimile transmission or other electronic image transmission (e.g., "PDF" or "TIF") shall be effective as delivery of a manually executed counterpart of this Assignment Agreement.

4. Governing Law. **THIS ASSIGNMENT AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.**

Exhibit B-2-8

EXHIBIT C

BORROWING REQUEST

[], 201[]

Credit Suisse AG, as Administrative Agent for
the Lenders party to the Credit Agreement
referred to below
Eleven Madison Avenue
New York, NY 10010
Attention: Sean Portrait – Agency Manager
Eleven Madison Avenue
New York, NY 10010, Fax No. 212-322-2291
Phone: 919-994-6369
Email: agency.loanops@credit-suisse.com

Ladies and Gentlemen:

The undersigned, Sportsman’s Warehouse, Inc. (the “Borrower”), refers to the Credit Agreement, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the “Credit Agreement”; the capitalized terms defined therein being used herein as therein defined), among the Borrower, Sportsman’s Warehouse Holdings, Inc., the lenders from time to time party thereto (the “Lenders”), and Credit Suisse AG, as Administrative Agent, and hereby gives you notice, irrevocably, pursuant to Section 2.03 of the Credit Agreement, that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such borrowing of Loans (the “Credit Event”) as required by Section 2.03 of the Credit Agreement:

- | | | |
|----|---|---------------------------|
| 1. | The Business Day of the Credit Event is: | [], 201[] |
| 2. | First Out Term Loan Borrowing: | |
| | <input type="checkbox"/> ABR Loans: | \$ [, ,] |
| | <input type="checkbox"/> Eurodollar Loans, with an Initial Interest Period of Months[*]: | \$ [, ,] |

[*] Insert: 1, 2, 3, or 6 (or 9 or 12 months if available to all Lenders, or all relevant Lenders); provided that, until the Administrative Agent shall have notified the Borrower that the primary syndication of the Commitments has been completed (which notice shall be given as promptly as practicable and, in any event, within 30 days after the Closing Date), the Borrower shall not be permitted to request a Eurodollar Borrowing with an Interest Period in excess of one month.

3. Last Out Term Loan Borrowing:
- ABR Loans: \$[, ,]
- Eurodollar Loans, with an Initial Interest Period of Months[*]: \$[, ,]
4. First Out Incremental Term Loan Borrowing:
- ABR Loans: \$[, ,]
- Eurodollar Loans, with an Initial Interest Period of Month(s)[*]: \$[, ,]
5. Last Out Incremental Term Loan Borrowing:
- ABR Loans: \$[, ,]
- Eurodollar Loans, with an Initial Interest Period of Month(s)[*]: \$[, ,]
6. The proceeds of such Loans are to be disbursed to the following account:
- Bank: []
- ABA: []
- Account No.: []

The Borrower hereby certifies that:

(A) The representations and warranties set forth in Article III of the Credit Agreement and in each other Loan Document shall (i) with respect to representations and warranties that are qualified by materiality or “Material Adverse Effect”, be true and correct and (ii) with respect to representations and warranties that are not qualified by materiality or “Material Adverse Effect”, be true and correct in all material respects, in each case, on and as of the date of such Credit Event with the same effect as though made on and as of such date, except to the extent such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall (i) with respect to representations and warranties that are qualified by materiality or “Material Adverse Effect”, be true and correct and (ii) with respect to representations and warranties that are not qualified by materiality or “Material Adverse Effect”, be true and correct in all material respects, in each case, on as of such earlier date.; and

(B) at the time of and immediately after such Credit Event, no Default or Event of Default has occurred and is continuing.

[signature pages follow]

Exhibit C-2

Very truly yours,

SPORTSMAN'S WAREHOUSE, INC.,
as Borrower

By: _____

Name:

Title:

Exhibit C-3

EXHIBIT D

FORM OF GUARANTEE AND COLLATERAL AGREEMENT

See attached.

Exhibit D-1

GUARANTEE AND COLLATERAL AGREEMENT

dated as of

August 20, 2013

among

SPORTSMAN'S WAREHOUSE, INC.,

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,

the Subsidiaries of the Borrower
from time to time party hereto

and

CREDIT SUISSE AG,
as Collateral Agent

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Exhibit C-3	Form of Short Form Copyright Security Agreement

GUARANTEE AND COLLATERAL AGREEMENT dated as of November 13, 2012 (this "**Agreement**"), among SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (the "**Borrower**"), SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah corporation ("**Holdings**"), the Subsidiaries of the Borrower from time to time party hereto and CREDIT SUISSE AG ("**Credit Suisse**"), as collateral agent (in such capacity, the "**Collateral Agent**").

PRELIMINARY STATEMENT

Reference is made to the Credit Agreement dated as of November 13, 2012 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, Holdings, the lenders from time to time party thereto (the "**Lenders**") and Credit Suisse AG, as administrative agent (in such capacity, the "**Administrative Agent**") and Collateral Agent.

The Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified in, the Credit Agreement. The obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of this Agreement by the Borrower and each Guarantor (as defined below). Each Guarantor is an affiliate of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and is willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit.

The Intercreditor Agreement governs the relative rights and priorities of the Secured Parties in respect of the Term Priority Collateral and the ABL Priority Collateral. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. **Credit Agreement.** (a) Capitalized terms used in this Agreement and not otherwise defined herein have the meanings set forth in the Credit Agreement. All capitalized terms defined in the New York UCC (as such term is defined herein) and not otherwise defined in this Agreement or in the Credit Agreement have the meanings specified therein. All references to the Uniform Commercial Code shall mean the New York UCC; provided that, if by reason of mandatory provisions of law, any or all of the perfection or priority of the security interest in any collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the state of New York, the term "Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection of priority and for purposes of definitions related to such provisions.

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. **Other Defined Terms.** As used in this Agreement, the following terms have the meanings specified below:

“**ABL Agent**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Documents**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Obligations**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Priority Collateral**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Secured Parties**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**Accounts Receivable**” shall mean all Accounts and all right, title and interest in any returned goods, together with all rights, titles, securities and guarantees with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired.

“**Administrative Agent**” shall have the meaning assigned to such term in the preliminary statement.

“**Article 9 Collateral**” shall have the meaning assigned to such term in Section 4.01.

“**Borrower**” shall have the meaning assigned to such term in the preamble.

“**Claiming Guarantor**” shall have the meaning assigned to such term in Section 6.02.

“**Collateral**” shall mean the Article 9 Collateral and the Pledged Collateral.

“**Collateral Agent**” shall have the meaning assigned to such term in the preamble.

“**Commodity Account Control Agreement**” shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s Control with respect to any Commodity Account.

“**Contributing Guarantor**” shall have the meaning assigned to such term in Section 6.02.

“**Control**” shall mean (i) in the case of each Deposit Account, “control,” as such term is defined in Section 9-104 of the UCC, (ii) in the case of any Security Entitlement, “control,” as such term is defined in Section 8-106 of the UCC, (iii) in the case of any Securities Account, “control” as described in Section 9-106 (c) of the UCC and (iv) in the case of any Commodity Contract, “control,” as such term is defined in Section 9-106 of the UCC.

“Control Agreements” shall mean, collectively, the Deposit Account Control Agreements, the Securities Account Control Agreements and the Commodity Account Control Agreements.

“Copyright License” shall mean any written agreement, now or hereafter in effect, granting any right to any third person under any Copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any Copyright now or hereafter owned by any third person, and all rights of such Grantor under any such agreement.

“Copyright Security Agreement” means each Copyright Security Agreement among the Grantors, or any of them, and the Collateral Agent, for the benefit of the Secured Creditors, in substantially the form of Exhibit C-3, pursuant to which the Grantors have granted to the Security Agent, for the benefit of the Secured Parties, a security interest in all their respective Copyrights.

“Copyrights” shall mean all of the following: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office (or any successor office or any similar office in any other country).

“Deposit Account Control Agreement” shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s Control with respect to any Deposit Account.

“Discharge of the Obligations” occurs when the Commitments have terminated or expired and all Obligations (other than indemnification Obligations for which no claims have been made) of all Loan Parties have been paid in full.

“Discharge of the ABL Obligations” shall have the meaning assigned to such term in the Intercreditor Agreement.

“Excluded Assets” shall have the meaning assigned to such term in the Credit Agreement.

“Federal Securities Laws” shall have the meaning assigned to such term in Section 5.04.

“General Intangibles” shall mean all General Intangibles (as defined in the New York UCC), including choses in action and causes of action and all other intangible personal property of any Grantor of every kind and nature (other than Accounts) now owned or hereafter acquired by any Grantor, including all rights and interests in partnerships, limited partnerships, limited liability companies and other unincorporated entities, corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Hedging Agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security

interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Accounts.

“Grantors” shall mean the Borrower and the Guarantors.

“Guarantors” shall mean Holdings and the Subsidiary Guarantors.

“Holdings” shall have the meaning assigned to such term in the preamble.

“Intellectual Property” shall mean all intellectual and similar property of every kind and nature, including inventions, designs, Patents, Copyrights, Trademarks, Licenses, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

“Intercreditor Agreement” shall have the meaning assigned to such term in the Credit Agreement.

“License” shall mean any Patent License, Trademark License, Copyright License or other license or sublicense agreement relating to Intellectual Property to which any Grantor is a party, including those listed on Schedule III.

“New York UCC” shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

“Notice of Assignment” shall mean a notice of assignment delivered pursuant to the provisions of the Assignment of Claims Act of 1940, 31 U.S.C. § 3727(c), as now and hereafter in effect, or any successor statute.

“Obligations” shall have the meaning assigned to such term in the Credit Agreement

“Patent License” shall mean any written agreement, now or hereafter in effect, granting to any third person any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third person, is in existence, and all rights of any Grantor under any such agreement.

“Patents” shall mean all of the following: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office (or any successor or any similar offices in any other country), and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

“Patent Security Agreement” means each Patent Security Agreement among the Grantors, or any of them, and the Collateral Agent, for the benefit of the Secured Creditors, in substantially the form of Exhibit C-2, pursuant to which the Grantors have granted to the Security Agent, for the benefit of the Secured Parties, a security interest in all their respective Patent.

“Perfection Certificate” shall mean a certificate substantially in the form of Exhibit B, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Responsible Officer of each of Holdings and the Borrower.

“Pledged Collateral” shall have the meaning assigned to such term in Section 3.01.

“Pledged Debt Securities” shall have the meaning assigned to such term in Section 3.01.

“Pledged Securities” shall mean any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

“Pledged Stock” shall have the meaning assigned to such term in Section 3.01.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Secured Parties” shall have the meaning assigned to such term in the Credit Agreement.

“Securities Account Control Agreement” shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s Control with respect to any Securities Account.

“Security Interest” shall have the meaning assigned to such term in Section 4.01(a).

“Subsidiary Guarantor” shall have the meaning assigned to such term in the Credit Agreement.

“Term Priority Collateral” shall have the meaning assigned to such term in the Intercreditor Agreement.

“Trademark License” shall mean any written agreement, now or hereafter in effect, granting to any third person any right to use any trademark now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third person, and all rights of any Grantor under any such agreement.

“Trademark Security Agreement” means each Trademark Security Agreement among the Grantors, or any of them, and the Collateral Agent, for the benefit of the Secured Creditors, in substantially the form of Exhibit C-1, pursuant to which the Grantors have granted to the Security Agent, for the benefit of the Secured Parties, a security interest in all their respective Trademarks.

“Trademarks” shall mean all of the following: (a) all trademarks, service marks, trade names, corporate names, company names, business names trade styles, trade dress, logos, certification marks, fictitious business names, internet domain names and all other source or business identifiers and designs and general intangibles of like nature, whether statutory or common law, whether registered or unregistered, whether now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office (or any successor office) or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof and (b) all goodwill associated therewith or symbolized thereby.

“Unfunded Advances/Participations” shall mean with respect to the Administrative Agent, the aggregate amount, if any (i) made available to the Borrower on the assumption that each Lender has made its portion of the applicable Borrowing available to the Administrative Agent as contemplated by Section 2.02(d) of the Credit Agreement and (ii) with respect to which a corresponding amount shall not in fact have been returned to the Administrative Agent by the Borrower or made available to the Administrative Agent by any such Lender.

ARTICLE II

Guarantee

SECTION 2.01. **Guarantee.** (a) Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the punctual payment and performance of the Obligations (whether at the stated maturity, by acceleration, demand or otherwise). Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any Obligation, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

(b) If and to the extent required in order for the Obligations of any Guarantor to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount that can lawfully be guaranteed by such Guarantor under such laws, after giving effect to any rights of

contribution, reimbursement and subrogation arising under Article VI. Each Guarantor acknowledges and agrees that (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2.01(b) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2.01(b) may be enforced only to the extent required under such laws in order for the such Guarantor's Obligations to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other Person entitled, under such laws, to enforce the provisions thereof.

(c) Each Guarantor agrees that the Borrower's Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 2.01(b) without impairing the validity or enforceability of the guaranty contained in this Article II and without affecting the claims, interests, rights and remedies of any Secured Party hereunder.

(d) The guaranty contained in this Article II shall remain in full force and effect until Discharge of the Obligations, notwithstanding that from time to time during the term of the Credit Agreement, the Borrower may be free from any Obligations.

SECTION 2.02. *Guarantee of Payment.* Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Obligations or to any balance of any Deposit Account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other person.

SECTION 2.03. *No Limitations, Etc.* (a) Except for termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, impairment of or failure to perfect, surrender, alteration or compromise, and shall not be subject to any defense (other than a defense of payment or performance) or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement (other than the termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15), (iii) the release of any security held by the Collateral Agent or any other Secured Party for the Obligations or any of them (other than the termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15 or a release of any such security pursuant to the Loan Documents), (iv) any default, failure or delay, willful or otherwise, in the performance of the Obligations, or (v) any other act or omission that may or might in any manner or to any extent

vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the Discharge of the Obligations). Each Guarantor expressly authorizes the Collateral Agent to take and hold security for the payment and performance of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and, subject to the terms hereof, direct the order and manner of any sale thereof in its sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the Discharge of the Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to them against the Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent that the Discharge of the Obligations has occurred. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Loan Party, as the case may be, or any security.

SECTION 2.04. **Reinstatement.** Each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Secured Party upon the bankruptcy or reorganization of the Borrower, any other Loan Party or otherwise.

SECTION 2.05. **Agreement To Pay; Subrogation.** In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation when and as the same shall become due, subject to any applicable grace periods set forth in the Credit Agreement, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in accordance with Section 5.02 hereof, in cash the amount of such unpaid Obligation. Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. **Information.** Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that neither the Collateral Agent nor any other Secured Party will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

Pledge of Securities

SECTION 3.01. **Pledge.** As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in, all of such Grantor's right, title, interest in, powers, privileges and preferences pertaining or incidental thereto, to and under (a)(i) the Equity Interests owned by such Grantor on the date hereof (including all such Equity Interests listed on Schedule II), (ii) any other Equity Interests obtained in the future by such Grantor and (iii) the certificates representing all such Equity Interests (all the foregoing collectively referred to herein as the "**Pledged Stock**"); *provided, however*, that the Pledged Stock shall not include more than 65% of the issued and outstanding voting Equity Interests of any Foreign Subsidiary to the extent the pledge of any greater percentage would reasonably be expected to result in adverse tax consequences to the Holdings and its Subsidiaries, taken as a whole, (b)(i) the debt securities held by such Grantor on the date hereof (including all such debt securities listed opposite the name of such Grantor on Schedule II), (ii) any debt securities in the future issued to such Grantor and (iii) the promissory notes and any other instruments evidencing such debt securities (all the foregoing collectively referred to herein as the "**Pledged Debt Securities**"), (c) all other property that may be delivered to and held by the Collateral Agent pursuant to the terms of this Section 3.01, (d) subject to Section 3.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above, (e) subject to Section 3.06, all rights and privileges of such Grantor with respect to the securities and other property referred to in clauses (a), (b), (c) and (d) above, and (f) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (f) above being collectively referred to as the "**Pledged Collateral**"). Notwithstanding anything herein to the contrary, in no event shall the security interest granted hereunder attach to, and the term "Pledged Collateral" shall not include any, Excluded Assets.

SECTION 3.02. **Delivery of the Pledged Collateral.** (a) Subject to the limitations set forth below, each Grantor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all certificates, instruments or other documents representing or evidencing Pledged Securities; *provided* that, notwithstanding anything contained in this Section 3.02 or elsewhere in this Agreement, (a) to the extent that the provisions of this Agreement require the delivery of, or granting of control over, or giving notice with respect to any ABL Priority Collateral to the Collateral Agent, then delivery of such Collateral (or control or notice with respect thereto) shall instead be made to the ABL Agent, to be held in accordance with ABL Documents and the Intercreditor Agreement, and any Grantor's obligations hereunder with respect to such delivery, control or notice shall be deemed satisfied, and (b) at all times prior to the Discharge of ABL Obligations or any Permitted Refinancing Indebtedness in respect of the ABL Credit Agreement, the Collateral Agent is authorized by the parties hereto to effect transfers of such Collateral at any time in its possession (and any "control" or similar agreements with respect to such Collateral) to the ABL Agent.

(b) Each Grantor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all Pledged Debt Securities with a face value in excess of (i) individually, \$250,000 or (ii) in the aggregate, \$500,000.

(c) Upon delivery to the Collateral Agent, (i) any certificate, instrument or document representing or evidencing Pledged Securities required to be delivered pursuant to paragraphs (a) and (b) of this Section 3.02 shall be accompanied by undated stock powers duly executed in blank or other undated instruments of transfer satisfactory to the Collateral Agent and duly executed in blank and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment satisfactory to the Collateral Agent and duly executed by the applicable Grantor. Each delivery of Pledged Securities shall be accompanied by a schedule describing the applicable securities, which schedule shall be attached hereto as Schedule II and made a part hereof; *provided* that failure to attach any such schedule hereto shall not affect the validity of the pledge of such Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 3.03. Representations, Warranties and Covenants. The Grantors jointly and severally represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) As of the Closing Date, Schedule II (as the same may be amended from time to time) correctly sets forth the percentage of the issued and outstanding shares of each class of the Equity Interests of the issuer thereof represented by such Pledged Stock and includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder;

(b) the Pledged Stock and Pledged Debt Securities (with respect to any Pledged Stock or Pledged Debt Securities not issued by a Loan Party or a Subsidiary thereof to the best of such Grantor's knowledge) have been duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Stock, are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding obligations of the issuers thereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity, regardless of whether considered in a proceeding in equity or at law;

(c) except for the security interests granted hereunder (or the Liens permitted under Section 6.02 of the Credit Agreement), each Grantor (i) is and, subject to any transfers made in compliance with the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on Schedule II as owned by such Grantor, (ii) holds the same free and clear of all Liens, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than any of the foregoing made in compliance with the Credit Agreement, and (iv) subject to Section 3.06, will cause any and all Pledged Collateral, whether for value paid by such Grantor or otherwise, to be forthwith deposited with the Collateral Agent and pledged or assigned hereunder;

(d) except for restrictions and limitations imposed by the Loan Documents, securities laws generally or except to the extent permitted under Section 6.06(b) of the Credit Agreement, the Pledged Collateral is and will continue to be freely transferable and assignable, and none of the Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or any contractual restriction of any nature, that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder;

(e) each Grantor (i) has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated and (ii) will defend its title or interest thereto or therein against any and all Liens (other than any Lien created or permitted by the Loan Documents), however arising, of all persons whomsoever;

(f) no consent or approval of any Governmental Authority, any securities exchange or any other person was or is necessary to the validity of the pledge effected hereby (other than (i) such as have been obtained and are in full force and effect and (ii) filing of Uniform Commercial Code financing statements);

(g) by virtue of the execution and delivery by each Grantor of this Agreement, when any Pledged Securities (accompanied by undated stock powers duly executed in blank or other undated instruments of transfer satisfactory to the Collateral Agent and duly executed in blank) are delivered to the Collateral Agent in accordance with this Agreement and upon completion of the filing of Uniform Commercial Code financing statements in each governmental, municipal or other office specified on Schedule 3.18(a) to the Credit Agreement (or specified by notice from the Borrower to the Administrative Agent after the Closing Date in the case of filings required by Sections 5.06 or 5.12 of the Credit Agreement), the Collateral Agent will obtain a legal, valid and perfected lien upon and security interest in such Pledged Securities as security for the payment and performance of the Obligations and, subject to the Intercreditor Agreement, such lien and security interest will be prior to all other Liens on such Pledged Securities except for unrecorded Liens permitted by the Credit Agreement which have priority over the Liens on such Pledged Securities by operation of law; and

(h) the pledge effected hereby is effective to vest in the Collateral Agent, for the ratable benefit of the Secured Parties, the rights of the Collateral Agent in the Pledged Collateral as set forth herein and, subject to Section 5.15 of the Credit Agreement, all action by any Grantor necessary or desirable to perfect the Lien on the Pledged Collateral has been duly taken.

SECTION 3.04. *Certification of Limited Liability Company Interests and Limited Partnership Interests.* Each interest in any limited liability company or limited partnership which is a Subsidiary of Holdings (including, without limitation, the Borrower) and pledged hereunder is not a security pursuant to Section 8-103 of the UCC, and the applicable Grantor shall not take any action that causes such interest to be a security under such Section or any other Applicable Law unless, substantially concurrently therewith, such Grantor causes the issuer thereof to issue to it certificates or instruments evidencing such interest and taking all actions required by Section 3.02 with respect to such interests, and the applicable Grantor shall cause the issuer of such interest to elect to treat such interests as a “security” within the meaning of Article 8 of the New York UCC (as well as under the UCC of the state of organization of such Subsidiary and any other applicable jurisdiction) and shall be governed by Article 8 of the New York UCC.

SECTION 3.05. *Registration in Nominee Name; Denominations.* The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in its own name as pledgee, in the name of its nominee (as pledgee or as sub-agent) or in the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Agent. Upon request, each Grantor will promptly give to the Collateral Agent copies of any material notices or other communications received by it with

respect to the Pledged Securities in its capacity as the registered owner thereof. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall at times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 3.06. Voting Rights; Dividends and Interest, Etc. (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Grantors of its intent to exercise its rights under this Agreement (which notice shall be deemed to have been given immediately upon the occurrence of an Event of Default under paragraph (g) or (h) of Article VII of the Credit Agreement):

(i) Each Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Securities or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents.

(ii) The Collateral Agent shall execute and deliver to each Grantor, or cause to be executed and delivered to each Grantor, all such proxies, powers of attorney and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (i) above.

(iii) Each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Securities to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable law; *provided, however*, that any noncash dividends, interest, principal or other distributions that would constitute Pledged Stock or Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities or received in exchange for Pledged Securities 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 become part of the Pledged Collateral, and, if received by any Grantor, shall not be commingled by such Grantor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the ratable benefit of the Secured Parties and shall be forthwith delivered to the Collateral Agent in the same form as so received (with any necessary endorsement or instrument of assignment).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have given the Grantors prior written notice which notice shall be deemed to have been given immediately upon the occurrence of an Event of Default under paragraph (g) or (h) of Article VII of the Credit Agreement) of the suspension of their rights under paragraph (a)(iii) of this Section 3.06, then all rights of any Grantor to dividends, interest, principal or other distributions that such Grantor is authorized to receive pursuant to paragraph (a)(iii) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Grantor contrary to the provisions of this Section 3.06 shall be held in trust for the

benefit of the Collateral Agent, shall be segregated from other property or funds of such Grantor and shall be forthwith delivered to the Collateral Agent upon demand in the same form as so received (with any necessary endorsement or instrument of assignment). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived and each applicable Grantor has delivered to the Administrative Agent certificates to that effect, the Collateral Agent shall, promptly after all such Events of Default have been cured or waived, repay to each applicable Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 3.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Grantors (or shall be deemed to have given notice pursuant to Section 3.06(a)) of its intent to exercise its rights under this Agreement, then all rights of any Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 3.06 shall cease; *provided* that unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following, and during the continuance of an Event of Default, to permit the Grantors to exercise such rights.

(d) Any notice given by the Collateral Agent to the Grantors exercising its rights under paragraph (a) of this Section 3.06 (i) may be given by telephone, if promptly confirmed in writing, (ii) may be given to one or more of the Grantors at the same or different times and (iii) may suspend the rights of the Grantors under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. ***Security Interest.*** (a) As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest (the "***Security Interest***"), in all right, title or interest in or to any and all of the property of such Grantor 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 "***Article 9 Collateral***"), including:

- (i) all Accounts;
- (ii) all Chattel Paper;

- (iii) all cash and Deposit Accounts;
- (iv) all Documents;
- (v) all Equipment;
- (vi) all General Intangibles, including all Intellectual Property and Licenses;
- (vii) all Instruments;
- (viii) all Inventory;
- (ix) all Investment Property;
- (x) all Letter-of-Credit Rights;
- (xi) all Commercial Tort Claims described on Schedule IV;
- (xii) all books and records pertaining to the Article 9 Collateral; and
- (xiii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing;

provided, however, that notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute, and the term Article 9 Collateral shall not include, a grant of a security interest in any stock excluded from the definition of “Pledged Stock” or Excluded Assets.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings) with respect to the Collateral or any part thereof and amendments thereto that (i) indicate the Collateral as “all assets” of such Grantor or words of similar effect, and (ii) contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (A) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and (B) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Grantor agrees to provide such information to the Collateral Agent promptly upon request.

Each Grantor also ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

Each Grantor hereby further authorizes the Collateral Agent to execute and/or file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor (including without limitation the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement), naming any

Grantor or the Grantors as debtors and the Collateral Agent as secured party, and each Grantor agrees to execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request for purposes of the foregoing.

(c) The Security Interest is 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 Article 9 Collateral.

(d) Notwithstanding anything to the contrary contained in this Section 4 or elsewhere in this Agreement, each Grantor and the Collateral Agent (on behalf of the Secured Parties) acknowledges and agrees that:

(a) the Security Interests granted pursuant to this Agreement (including pursuant to this Section 4) to the Collateral Agent for the benefit of the Secured Parties (i) in the Term Priority Collateral, shall be a first priority lien and (ii) in the ABL Priority Collateral, shall be a second priority lien, fully junior, subordinated and subject to the security interest granted to the ABL Agent for the benefit of the ABL Secured Parties in the ABL Priority Collateral on the terms and conditions set forth in the ABL Documents and the Intercreditor Agreement, and all other rights and benefits afforded hereunder to the Secured Parties with respect to the ABL Priority Collateral are expressly subject to the terms and conditions of the Intercreditor Agreement; and

(b) each of the ABL Secured Parties' security interest in the Collateral constitute security interests separate and apart (and of a different class and claim) from the Secured Parties' Security Interest in the Collateral.

(e) NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE RELATIVE RIGHTS AND REMEDIES OF THE COLLATERAL AGENT AND THE SECURED PARTIES HEREUNDER SHALL BE SUBJECT TO AND GOVERNED BY THE TERMS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE TERMS HEREOF AND THE TERMS OF THE INTERCREDITOR AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL CONTROL AT ANY TIME THE INTERCREDITOR AGREEMENT IS IN EFFECT.

(f) All rights of the Collateral Agent hereunder, the Security Interest in the Collateral and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (iii) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations or (iv) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement (other than a defense of payment or performance).

(g) Notwithstanding anything herein to the contrary, in no event shall the security interest granted hereunder attach to, and the term "Article 9 Collateral" shall not include, any Excluded Assets.

SECTION 4.02. **Representations and Warranties.** The Grantors jointly and severally represent and warrant to the Collateral Agent and the Secured Parties that:

(a) Each Grantor has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest (except for minor irregularities or deficiencies in title that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect) and has full power and authority to grant to the Collateral Agent, for the ratable benefit of the Secured Parties, the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the requisite corporate (or other organizational) and, if required, equity-holder consent or approval of any other person other than any consent or approval that has been obtained and remains in effect.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein (including (x) the exact legal name of each Grantor and (y) the jurisdiction of organization of each Grantor) is correct and complete as of the Closing Date. Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Article 9 Collateral have been prepared by the Collateral Agent based upon the information provided to the Administrative Agent and the Secured Parties in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 3.19(a) to the Credit Agreement (or specified by notice from the Borrower to the Administrative Agent after the Closing Date in the case of filings, recordings or registrations required by Sections 5.06 or 5.12 of the Credit Agreement), which are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in the Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements. Each Grantor represents and warrants that a fully executed short form hereof and/or a fully executed Trademark Security Agreement, Patent Security Agreement or Copyright Security Agreement, in each case, substantially in the form of Exhibit C-1, C-2 or C-3, respectively, or otherwise in form and substance reasonably satisfactory to the Collateral Agent, and containing a description of all Article 9 Collateral consisting of United States Patents and United States registered Trademarks (and Trademarks and Patents for which a United States registration is pending or otherwise applied for) and United States registered Copyrights (and Copyrights for which a United States registration is pending or otherwise applied for), to the extent any such Collateral exists, has been delivered to the Collateral Agent for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. §261, 15 U.S.C. §1060 or 17 U.S.C. §205 and the regulations thereunder, as applicable, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights in which a security

interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and other than the Uniform Commercial Code financing statements described in the immediately prior sentence of this Section 4.02(b), no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof).

(c) The Security Interest constitutes (i) a legal and valid security interest in all Article 9 Collateral securing the payment and performance of the Obligations, (ii) subject to the filings described in Section 4.02(b), a perfected security interest in all Article 9 Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (iii) a security interest that shall be perfected in all Article 9 Collateral in which a security interest may be perfected upon the receipt and recording of a fully executed short form agreement substantially in the form of Exhibit C hereto with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral, subject to the Intercreditor Agreement and other than Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement that have priority as a matter of law; and

(d) The Article 9 Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. No Grantor has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office, (iii) any notice under the Assignment of Claims Act or (iv) any assignment or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. As of the Closing Date, no Grantor holds any Commercial Tort Claims in an amount reasonably estimated to exceed (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, other than those listed in Schedule IV hereto.

(e) *Additional Representations and Warranties Regarding Patent, Trademark and Copyright Collateral.*

(i) Attached hereto as Schedule III is a true and complete schedule of all issued Patents, Patent applications, Trademark applications and Trademark registrations, owned by each Grantor (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement), including the name of the registered owner and the application/registration number, as applicable, of each issued Patent, Patent application, Trademark application and Trademark registration owned by any

Grantor. Schedule III also sets forth a true and complete schedule of all Copyright registrations and applications owned by each Grantor as of the Closing Date (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement), including the name of the registered owner and the application/registration number of each such Copyright registration and application owned by any Grantor. Schedule III also sets forth a true and complete schedule of all exclusive Licenses and all Licenses that are material to each Grantor's business (other than Licenses for generally available off-the-shelf software) as of the Closing Date (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement). Such Grantor is the sole and exclusive beneficial and record owner of the entire right, title, and interest in and to all Intellectual Property listed as owned by such Grantor as of the Closing Date on Schedule III (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement), and such Grantor owns, is licensed to use, or otherwise has sufficient rights to use all Intellectual Property necessary for the conduct of its business as currently conducted, except for any such failure to own or possess a license or right to use that could not reasonably be expected to, individually or in the aggregate, impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole. On the date hereof, and to the best of such Grantors knowledge, all material registered Intellectual Property owned by such Grantor is valid, subsisting and, to the best of such Grantor's knowledge, enforceable by and in the name of such Grantor, and has not been abandoned, or allowed to lapse, expire or become dedicated to the public. Such Grantor has performed all necessary acts and has paid all registration, renewal and maintenance fees required to maintain each and every registration and application of material Intellectual Property owned by such Grantor in full force and effect.

(ii) Except as could not reasonably be expected to, individually or in the aggregate, impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole, to the best of such Grantor's knowledge, the use of the Intellectual Property owned by each Grantor and the conduct of such Grantor's business does not infringe on the Intellectual Property rights of any Person. No written claim has been asserted and is pending or, to the best of such Grantor's knowledge, has been threatened, by any Person challenging any Grantor's use of any Intellectual Property, nor does any Grantor know of any valid basis for any such claim, except as could not reasonably be expected to, individually or in the aggregate, impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole.

(iii) Except as set forth in Schedule III, on the date hereof, (a) none of the Intellectual Property owned by any Grantor is the subject of any material licensing agreement pursuant to which such Grantor is the licensor (other than any Intellectual Property license agreements entered into by such Grantor in the ordinary course of business that are not material to such Grantor's business) and

(b) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by such Grantor or to which such Grantor is bound adversely affect Grantor's rights to own or use any material Intellectual Property, and such Grantor has not made a previous assignment, sale, transfer or agreement constituting or contemplating a present or future assignment, sale or transfer of any material Intellectual Property owned by such Grantor that has not been terminated or released.

(iv) No holding, decision or judgment has been rendered by any Governmental Authority which limits the validity of (other than office actions issued in the ordinary course of prosecution of any pending applications for Patents or applications for registration of other Intellectual Property), or such Grantor's ownership or rights to use, any Intellectual Property, except, in each case, as could not, individually or in the aggregate, reasonably be expected to impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole.

(v) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, against any Grantor on the date hereof seeking to limit the validity of any Intellectual Property owned by any Grantor or any Grantor's ownership interest therein or right to register the same (other than office actions issued in the ordinary course of prosecution of any pending applications for Patents or applications for registration of other Intellectual Property), which, if adversely determined, could reasonably be expected to impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole, or result in a Material Adverse Effect.

(vi) To the best of such Grantor's knowledge, no third party is infringing upon or misappropriating any rights of such Grantor in any material Intellectual Property owned by such Grantor.

SECTION 4.03. Covenants. (a) Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Article 9 Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, and, at such time or times as the Collateral Agent may reasonably request, promptly to prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Article 9 Collateral.

(b) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.04(a) of the Credit Agreement, the Borrower shall deliver to the Collateral Agent a certificate executed by a Responsible Officer of the Borrower identifying in the format of Schedule III all Intellectual Property registrations or applications of any Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Collateral Agent, which Intellectual Property registrations or applications such Grantor would have been required to list on Schedule III pursuant to Section 4.02(e) hereof if owned on the Closing Date.

(c) Each Grantor shall, at its own cost and expense, take any and all commercially reasonable actions necessary or appropriate to defend title to the Article 9 Collateral against all

persons and to defend the Security Interest of the Collateral Agent in the Article 9 Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.02 of the Credit Agreement.

(d) Subject to the limitations set forth herein and in the other Loan Documents, each Grantor agrees, at its own expense, promptly to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to obtain, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and Taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing or continuation statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable to any Grantor under or in connection with any of the Article 9 Collateral shall be or become evidenced by any promissory note or other instrument having a value in excess of (i) individually, \$250,000 or (ii) in the aggregate, \$500,000 and which is required to be pledged to the Collateral Agent hereunder, such note or instrument shall be promptly pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

(e) Each Grantor will permit any representatives designated by the Collateral Agent to, as applicable, visit and inspect the Article 9 Collateral, all records related thereto and the premises upon which any of the Article 9 Collateral is located at reasonable times during normal business hours and upon reasonable prior notice, subject to Section 5.07 of the Credit Agreement, and to make extracts from and copies of such records, and permit any representatives designated by the Collateral Agent to discuss the affairs of such Grantor with the officers thereof and independent accountants therefor; *provided* that, excluding any such visits and inspections during the continuation of an Event of Default, the Collateral Agent shall not exercise such rights more often than two times during any calendar year, and such exercises shall be at such Grantor's expense; provided further that upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may do any of the foregoing at the expense of such applicable Grantor at any time without advance notice, and the limitation set forth in the forgoing proviso shall not apply.

(f) At its option, the Collateral Agent may discharge past due Taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not expressly permitted pursuant to Section 5.03 or Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; *provided, however*, that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to Taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

(g) If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other person to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Collateral Agent for the ratable benefit of the Secured Parties. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other person granting the security interest.

(h) Each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(i) No Grantor shall make or permit to be made an assignment, pledge or hypothecation of the Article 9 Collateral or shall grant any other Lien in respect of the Article 9 Collateral or permit any notice to be filed under the Assignment of Claims Act, except, in each case, as expressly permitted by Section 6.02 of the Credit Agreement. No Grantor shall make or permit to be made any transfer of the Article 9 Collateral and each Grantor shall remain at all times in possession or otherwise in control of the Article 9 Collateral owned by it, except as permitted by the Credit Agreement.

(j) No Grantor will, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any Accounts included in the Article 9 Collateral, 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, other than extensions, credits, discounts, compromises, compoundings or settlements granted or made in the ordinary course of business (x) in connection with the compromise or collection thereof or (y) in accordance with such prudent and standard practice used in industries that are the same as or similar to those in which such Grantor is engaged.

(k) Each Grantor, at its own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with the requirements set forth in Section 5.02 of the Credit Agreement. Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, upon the occurrence and during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or under the Credit Agreement or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of any Grantor hereunder or any Default or Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Collateral Agent and shall be additional Obligations secured hereby.

SECTION 4.04. Other Actions. In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Security Interest in the Article 9 Collateral, each Grantor agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) **Instruments.** As of the date hereof (i) no amount payable under or in connection with any of the Collateral is evidenced by any Instrument or Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in Section 9 of the Perfection Certificate and each such Instrument and each such item of Tangible Chattel

Paper, to the extent requested by the Collateral Agent, has been properly endorsed, assigned and delivered to the Collateral Agent, accompanied by undated instruments of endorsement, transfer or assignment duly executed in blank. If any Grantor shall at any time hold or acquire any Instruments with a value greater than (i) individually, \$250,000, or (ii) in the aggregate, \$500,000, such Grantor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such undated instruments of endorsement, transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify.

(b) **Deposit Accounts.** As of the, date hereof it has neither opened nor maintains any Deposit Accounts other than the accounts listed in Section 5 of the Perfection Certificate. For each Deposit Account that any Grantor at any time opens or maintains, such Grantor shall, except to the extent otherwise excused by this paragraph (b) or not required under the ABL Documents, upon the Collateral Agent's request, each Grantor shall obtain an executed and delivered Deposit Account Control Agreement, from each bank maintaining a Deposit Account for such Grantor; *provided, however*, that the Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any instructions or withhold any withdrawal rights pursuant to any such pursuant to any such Deposit Account Control Agreement from any Grantor unless an Event of Default has occurred and is continuing, or, after giving effect to any withdrawal, would occur. The provisions of this paragraph shall not apply to any Deposit Account (i) that is used solely to fund payroll and payroll taxes and other employee wage and benefit payments in the ordinary course of business on a current basis, (ii) Deposit Accounts (other than Deposit Accounts referred to in the foregoing clause (i)) that have an account balance of less than \$250,000 individually and less than \$500,000 in the aggregate for all such Deposit Accounts and (iii) any Deposit Account the balance of which is swept at the end of each Business Day into a Deposit Account subject to a Deposit Account Control Agreement among such Grantor, the depository bank and the Collateral Agent, so long as such daily sweep is not terminated or modified (other than to provide that the balance in such Deposit Account is swept into another Deposit Account subject to a Deposit Account Control Agreement) without the consent of the Collateral Agent.

(c) **Investment Property.** As of the, date hereof it has neither opened nor maintains any Investment Property other than that listed in Section 8 of the Perfection Certificate. Except to the extent otherwise provided in Article III, if any Grantor shall at any time hold or acquire any certificated securities with a value greater than (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, such Grantor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such undated instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify. If any securities now or hereafter acquired by any Grantor are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) cause the issuer to agree that it will comply with instructions from the Collateral Agent as to such securities, without further consent of any Grantor or such nominee, or (ii) arrange for the Collateral Agent to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other Investment Property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a Securities Intermediary or Commodity Intermediary, such Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option such Grantor shall obtain a Securities Account

Control Agreement or Commodities Account Control Agreement from each Securities Intermediary or Commodity Intermediary, as applicable. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any Entitlement Orders or instructions or directions to any such issuer, Securities Intermediary or Commodity Intermediary pursuant to such Securities Account Control Agreement or Commodities Account Control Agreement, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by any Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights would occur. The provisions of this paragraph shall not apply to any Financial Assets credited to a Securities Account for which the Collateral Agent is the Securities Intermediary.

(d) **Electronic Chattel Paper and Transferable Records.** If any Grantor at any time holds or acquires an interest in any Electronic Chattel Paper or any “transferable record”, as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, with a face value greater than (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, such Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may request to vest in the Collateral Agent control under New York UCC Section 9-105 of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Grantor that the Collateral Agent will arrange, pursuant to procedures satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent’s loss of control, for the Grantor to make alterations to the Electronic Chattel Paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such Electronic Chattel Paper or transferable record.

(e) **Letter-of-Credit Rights.** If any Grantor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Grantor with a face value greater than (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, such Grantor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) use commercially reasonable efforts to arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Grantor unless an Event of Default has occurred or is continuing.

(f) **Commercial Tort Claims.** If any Grantor shall at any time hold or acquire a Commercial Tort Claim in an amount reasonably estimated by such Grantor to exceed (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, the Grantor shall promptly notify the Collateral Agent thereof in a writing signed by such Grantor including a summary description of such claim and grant to the Collateral Agent, for the

ratable benefit of the Secured Parties, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent.

SECTION 4.05. *Covenants Regarding Patent, Trademark and Copyright Collateral.* (a) Each Grantor (x) agrees that it will not and will not permit any of its licensees to do any act, or omit to do any act, whereby any Patent that is owned by such Grantor and is material to the conduct of such Grantor's business may become invalidated or dedicated to the public (except as a result of expiration of such patent at the end of its statutory term or abandonment or other disposition of such patent that is in the reasonable judgment of Grantor, no longer economically practicable to maintain or material in the conduct of the business of Grantor taken as a whole), and (y) agrees that it has marked and shall continue to mark any products covered by a Patent with the relevant patent number as necessary or advisable to preserve its rights under applicable patent laws, in accordance with such prudent and standard practice used in industries that are the same as or similar to those in which such Grantor is engaged.

(b) Each Grantor will, for each Trademark that is owned by such Grantor and material to the conduct of such Grantor's business, (i) maintain the enforceability of such Trademark, (ii) maintain the quality of products and services offered under such Trademark in substantially the same manner as the date hereof, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and required to preserve its rights under applicable law and (iv) not knowingly use such Trademark in violation of any third party rights.

(c) Each Grantor will, for each work covered by a material registered Copyright that is owned by such Grantor, use commercially reasonable efforts to continue to publish, reproduce, display, adopt and distribute the work with copyright notices as necessary or advisable to preserve its rights under applicable copyright laws.

(d) Each Grantor shall notify the Collateral Agent promptly if it knows that any Patent, Trademark or Copyright material to the conduct of its business and owned by such Grantor may become abandoned, expired, lapsed, lost or dedicated to the public (other than as a result of abandonment or other disposition that is, in the reasonable judgment of the Grantor, no longer economically practicable to maintain or material in the conduct of the business of the Grantor, taken as a whole), or of any materially adverse determination or development (including the institution of any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) If a Grantor acquires ownership of any Patent, Copyright or Trademark registration or application or files any application to register any Patent, Trademark or Copyright, within the United States or any other country or political subdivision thereof, at any time following the date hereof, such Grantor shall promptly provide the Collateral Agent with written notice of such acquisition, registration or application (and, in any event, within thirty (30) days following the end of each fiscal quarter in which such Grantor acquires such ownership interest (or such longer period as permitted by the Collateral Agent in its sole discretion)), and, upon request of the Collateral Agent, shall execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Security Interest in each such Patent, Copyright or Trademark that is the subject of such subsequent acquisition, registration or application. Each Grantor hereby appoints the Collateral Agent as its attorney in fact to execute

(solely after the occurrence and during the continuance of an Event of Default) and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed.

(f) Each Grantor will take such steps that are, in the good business judgment of such Grantor, consistent with its past practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with such Grantor's good business judgment, to initiate opposition, interference and cancellation proceedings against third parties unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Patent, Trademark and/or Copyright is no longer necessary or advisable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole, in which case such Grantor will give prompt notice of any such abandonment to the Collateral Agent.

(g) In the event that any Grantor knows or has reason to believe that any Article 9 Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Grantor's business has been infringed, misappropriated, diluted or otherwise violated by a third person, such Grantor promptly shall notify the Collateral Agent and shall, if consistent with such Grantor's good business judgment, take such actions as such Grantor deems reasonable and appropriate under the circumstances to protect or enforce such Article 9 Collateral including, without limitation, to sue for infringement, misappropriation, dilution or other violation, to seek an injunction against such infringement, misappropriation, dilution or other violation, and to recover any and all damages for such infringement, misappropriation, dilution or other violation.

(h) Upon the occurrence and during the continuance of an Event of Default, each Grantor shall upon request of the Collateral Agent use its best efforts to obtain all requisite consents or approvals by the licensor of each material Copyright License, material Patent License or material Trademark License, and each other material License, to effect the assignment of all such Grantor's right, title and interest thereunder to the Collateral Agent, for the ratable benefit of the Secured Parties, or its designee; provided that, notwithstanding anything to the contrary herein, no Grantor shall be required to make any payments to secure such consent or approval.

ARTICLE V

Remedies

SECTION 5.01. ***Remedies Upon Default.*** Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times and that each Grantor will cooperate with the Collateral Agent by undertaking such actions and executing and delivering to the Collateral Agent such agreements, instruments, documents and papers as the Collateral Agent may reasonably request in order to effectuate the following:

(a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become

an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Grantor to the Collateral Agent or its designee, or to become a license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, of any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent the waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. 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 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 such 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 appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. For the avoidance of doubt, each of the Grantors party hereto and each of the Secured Parties, by their acceptance of the benefits of this Agreement, agree, to the fullest extent permitted by applicable law, that the Collateral Agent 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 sale or foreclosure proceeding in respect of the Collateral, including without limitation, sales occurring pursuant to Section 363 of the Bankruptcy Code or included as part of any plan subject to confirmation under Section 1129(b)(2)(A)(iii) of the Bankruptcy Code, 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 foreclosure proceeding, as applicable.

The Collateral Agent shall give each applicable Grantor 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future

delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Secured Party may bid for or purchase, free (to the extent permitted by applicable law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by applicable law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 5.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

SECTION 5.02. **RESERVED.**

SECTION 5.03. **Grant of License to Use Intellectual Property.** For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants (subject to the following sentence) to the Collateral Agent an irrevocable (during the continuance of an Event of Default), worldwide, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors), to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof, subject, in the case of Trademarks, to the observance of standards of quality and inspection in connection with the use of such Trademarks as are sufficient to maintain the validity and enforceability of such Trademarks. Such use, license or sublicense by the Collateral Agent may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; *provided, however,* that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon each Grantor notwithstanding any subsequent cure of an Event of Default.

SECTION 5.04. **Securities Act, Etc.** In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the U.S. Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as

from time to time in effect being called the “**Federal Securities Laws**”) with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable “blue sky” or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its sole and absolute discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a limited number of potential purchasers (including a single potential purchaser) to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a limited number of purchasers (or a single purchaser) were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. ***Indemnity and Subrogation.*** In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6.03), the Borrower agrees that (a) in the event a payment shall be made by any Guarantor under this Agreement, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part an obligation of any Secured Party, the Borrower shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. ***Contribution and Subrogation.*** Each Guarantor (each, a “**Contributing Guarantor**”) agrees (subject to Section 6.03) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation, or assets of any other Guarantor shall be sold pursuant to any Security Document to satisfy any Obligation owed to any Secured Party, and such other Guarantor (the “**Claiming Guarantor**”) shall not have been fully indemnified by the Borrower as provided in Section 6.01, the Contributing Guarantor shall

indemnify the Claiming Guarantor in an amount equal to (i) the amount of such payment or (ii) the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Guarantor on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 7.16, the date of the supplement hereto executed and delivered by such Guarantor). Any Contributing Guarantor making any payment to a Claiming Guarantor pursuant to this Section 6.02 shall be subrogated to the rights of such Claiming Guarantor under Section 6.01 to the extent of such payment.

SECTION 6.03. **Subordination.** (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors under Sections 6.01 and 6.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations (other than indemnification Obligations for which no claims have been made). No failure on the part of the Borrower or any Guarantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor with respect to its obligations hereunder, and each Guarantor shall remain liable for the full amount of its obligations hereunder.

(b) The Borrower and each Guarantor hereby agree that all Indebtedness and other monetary obligations owed by it to the Borrower or any Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations (other than indemnification Obligations for which no claims have been made).

ARTICLE VII

Miscellaneous

SECTION 7.01. **Notices.** All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. **Security Interest Absolute.** All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument relating to the foregoing, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement (other than the defense of performance or payment in full).

SECTION 7.03. **Survival of Agreement.** All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any Lender or on their behalf and notwithstanding that the Collateral Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated.

SECTION 7.04. **Binding Effect; Several Agreement.** This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated or permitted by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 7.05. **Successors and Assigns.** Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.06. **Collateral Agent's Fees and Expenses; Indemnification.** (a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.05 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, the Borrower, Holdings and each Grantor agree, jointly and severally, to indemnify the the Collateral Agent, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnatee**") against, and to hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnatee arising out of, in any way connected with, or as a result of (i) the execution, delivery or performance of this Agreement or any agreement or instrument contemplated hereby or the performance by the parties hereto of their respective obligations hereunder, (ii) any claim, litigation, investigation or proceeding relating to any of the foregoing or to the Collateral, whether or not any Indemnatee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or the Subsidiaries; *provided* that such indemnity shall not, as to any

Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnitee. To the extent permitted by applicable law, no Grantor shall assert, and each Grantor hereby waives any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of proceeds thereof. Each Grantor acknowledges and agrees that such Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each material contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(c) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 7.06 shall be payable on written demand therefor and shall bear interest, on and from the date of demand, at the rate specified in Section 2.06(a) of the Credit Agreement.

SECTION 7.07. *Collateral Agent Appointed Attorney-in-Fact.* Each Grantor hereby appoints the Collateral Agent as the attorney-in-fact of such Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable upon the occurrence and during the continuance of an Event of Default to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof, (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral, (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral, (d) to send verifications of Accounts Receivable to any Account Debtor, (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral, (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral, (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent, (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement in accordance with its terms, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes and (i) upon the occurrence and during the continuance of any Event of Default, to file any Notices of Assignment pursuant to Section 5.01 hereof; provided, however, that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to

the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence, willful misconduct or bad faith.

SECTION 7.08. *Applicable Law.* THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.09. *Waivers; Amendment.* (a) No failure or delay by the Collateral Agent, the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver hereof or 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 Collateral Agent, the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 7.09, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent, any Lender may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.08 of the Credit Agreement.

SECTION 7.10. *WAIVER OF JURY TRIAL.* EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.10.

SECTION 7.11. **Severability.** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). 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 7.12. **Counterparts.** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 7.04. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic image transmission (e.g., "PDF" or "TIF" via electronic mail) shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 7.13. **Headings.** Article and Section headings and the Table of Contents 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 7.14. **Jurisdiction; Consent to Service of Process.** (a) Each of the Grantors hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the Loan Parties 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 Loan Parties 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 or any other Loan Document shall affect any right that the Collateral Agent, the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Grantor or its properties in the courts of any jurisdiction.

(b) Each of the Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, 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 or any other Loan Document in any court referred to in paragraph (a) of this Section 7.14. Each of the Loan Parties hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each of the parties hereto hereby irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

SECTION 7.15. **Termination or Release.** (a) This Agreement, the guarantees made herein, the Security Interest, the pledge of the Pledged Collateral and all other security interests granted hereby shall automatically terminate upon the Discharge of the Obligations.

(b) A Subsidiary Guarantor shall automatically be released from its obligations hereunder and the Security Interests created hereunder in the Collateral of such Subsidiary Guarantor shall be automatically released upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Loan Documents to any Person that is not the Borrower or a Guarantor, or, upon the effectiveness of any approval, authorization, consent or ratification by the Required Lenders pursuant to Section 9.08 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) above, the Collateral Agent shall promptly execute and deliver, as applicable, to any Grantor, at such Grantor's expense, all Uniform Commercial Code termination statements, all releases in connection with all filings made in the United States Patent and Trademark Office, and in the United States Copyright Office and similar documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.15 shall be without recourse to or representation or warranty by the Collateral Agent or any Secured Party. Without limiting the provisions of Section 7.06, the Borrower shall reimburse the Collateral Agent upon demand for all costs and out of pocket expenses, including the reasonable fees, charges and expenses of counsel, incurred by it in connection with any action contemplated by this Section 7.15.

SECTION 7.16. **Additional Subsidiaries.** Any Subsidiary that is required to become a party hereto pursuant to Section 5.12 of the Credit Agreement shall enter into this Agreement as a Subsidiary Guarantor and a Grantor upon becoming such a Subsidiary. Upon execution and delivery by the Collateral Agent and such Subsidiary of a supplement in the form of Exhibit A hereto, such Subsidiary shall become a Subsidiary Guarantor and a Grantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor and a Grantor herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 7.17. **Right of Setoff.** If an Event of Default shall have occurred and is continuing, each Secured Party is hereby authorized with the prior written consent of the Collateral Agent at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all Collateral (including any deposits (general or special, time or demand, provisional or final)) at any time held and other obligations at any time owing by such Secured Party to or for the credit or the account of any Grantor against any and all of the obligations of such Grantor now or hereafter existing under this Agreement and the other Loan Documents held by such Secured Party, irrespective of whether or not such Secured Party shall have made any demand under this Agreement or any other Loan Document and although such obligations may be unmatured. The rights of each Secured Party under this Section 7.17 are in addition to other rights and remedies (including other rights of setoff) which such Secured Party may have.

SECTION 7.18. **Keepwell.** Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 7.18 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 7.18, or otherwise under this Guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until a Discharge of the Obligations. Each Qualified ECP Guarantor intends that this Section 7.18 constitute, and this Section 7.18 shall

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

SPORTSMAN'S WAREHOUSE, INC.,

By: _____
Name:
Title:

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,

By: _____
Name:
Title:

MINNESOTA MERCHANDISING CORP,

By: _____
Name:
Title:

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.,

By: _____
Name:
Title:

PACIFIC FLYWAY WHOLESALE LLC,

By: _____
Name:
Title:

By: _____
Name:
Title:

By: _____
Name:
Title:

SUBSIDIARY GUARANTORS

Sportsman's Warehouse Southwest, Inc., a California corporation

Minnesota Merchandising Corp., a Minnesota corporation

Pacific Flyway Wholesale, LLC, a Delaware limited liability company

EQUITY INTERESTS

<u>Issuer</u>	<u>Number of Certificate</u>	<u>Registered Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Percentage of Equity Interests</u>
Sportsman's Warehouse, Inc.	1	Sportsman's Warehouse Holdings, Inc.	100 shares of Common Stock	100%
Minnesota Merchandising Corp.	1	Sportsman's Warehouse Holdings, Inc.	100 shares of Common Stock	100%
Sportsman's Warehouse Southwest, Inc.	1	Sportsman's Warehouse, Inc.	100 shares of Common Stock	100%
Pacific Flyway Wholesale, LLC	N/A	Sportsman's Warehouse, Inc.	Percentage Interests	100% of percentage interest

PLEGGED DEBT SECURITIES

None.

COPYRIGHTS OWNED BY SPORTSMAN'S WAREHOUSE, INC.

None.

PATENTS OWNED BY SPORTSMAN'S WAREHOUSE, INC.

None.

TRADEMARKS OWNED BY SPORTSMAN'S WAREHOUSE, INC.

U.S. Trademark Registrations

<u>MARK</u>	<u>REG. DATE</u>	<u>REG. NO.</u>	<u>GRANTOR</u>
SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	10/03/2000	2,390,988	Sportsman's Warehouse, Inc.
VITAL IMPACT	12/14/2004	2,911,265	Sportsman's Warehouse, Inc.
THE GREAT INDOORS FOR THOSE WHO LOVE THE GREAT OUTDOORS	09/27/2005	3,001,204	Sportsman's Warehouse, Inc.
SPORTSMAN'S NEWS and design	02/21/2006	3,060,233	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE EST. 1986 OUTFITTER with design	04/03/2007	3,223,766	Sportsman's Warehouse, Inc.
SPORTSMAN LITE	12/11/2007	3,354,654	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER and design	07/22/2008	3,472,243	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE	09/01/2009	3,675,144	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE and design	12/07/2010	3,886,160	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING · FISHING · CAMPING · RELOADING · OUTERWEAR · FOOTWEAR and design	12/07/2010	3,886,154	Sportsman's Warehouse, Inc.
LOST RIVER	05/23/2006	3,095,578	Sportsman's Warehouse, Inc.
ELK HUNTER	11/14/2006	3,172,144	Sportsman's Warehouse, Inc.
SPORTSMAN'S NEWS THE OFFICIAL	01/01/2013	4,267,214	Sportsman's

<u>MARK</u>	<u>REG. DATE</u>	<u>REG. NO.</u>	<u>GRANTOR</u>
PUBLICATION OF SPORTSMAN'S WAREHOUSE			Warehouse, Inc.

State Trademark Registrations

<u>STATE</u>	<u>MARK</u>	<u>REG. DATE</u>	<u>REG. NO.</u>	<u>GRANTOR</u>
Colorado	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR	02/19/1999	19991032010	Sportsman's Warehouse, Inc.
Colorado	SPORTS WAREHOUSE INC.	02/19/1999	19991032013	Sportsman's Warehouse, Inc.
Washington	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	07/23/2007	51,926	Sportsman's Warehouse, Inc.
Idaho	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	02/08/1999	16237	Sports Warehouse, Inc.
Idaho	SPORTSMAN'S WAREHOUSE	02/08/1999	16236	Sports Warehouse, Inc.
Montana	SPORTSMAN'S WAREHOUSE	05/19/2003	22742	Sports Warehouse, Inc.
Utah	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	01/30/1998 (Renewed 3/19/2008)	UT 37654 2524501- 0190	Sports Warehouse, Inc.

Trade Names

<u>STATE</u>	<u>TRADE NAME</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>GRANTOR</u>
Wyoming	SPORTSMAN'S WAREHOUSE	2000- 000404918	05/25/2000 (Renewed 05/21/2010)	Sports Warehouse, Inc.

<u>STATE</u>	<u>TRADE NAME</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>GRANTOR</u>
Colorado	SPORTSMAN'S WAREHOUSE	19991024660	02/09/1999	Sportsman's Warehouse, Inc.

U.S. Trademark Applications

<u>TRADEMARK</u>	<u>APPLICATION NUMBER</u>	<u>APPLICATION DATE</u>	<u>GRANTOR</u>
TAKE IT OUTSIDE	86/015,232	07/19/2013	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING FISHING CAMPING RELOADING CLOTHING FOOTWEAR TAKE IT OUTSIDE	86/015,241	07/19/2013	Sportsman's Warehouse, Inc.
SW	86/004,216	07/08/2013	Sportsman's Warehouse, Inc.
DESIGN (Outline of Mountain Range)	85/727,803	09/13/2012	Sportsman's Warehouse, Inc.
RUSTIC RIDGE	85/721,995	09/06/2012	Sportsman's Warehouse, Inc.

Domain Name Registrations

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
BOYDSSPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	08/02/2010	Sportsman's Warehouse
BOYDSSPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	07/18/2010	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	03/05/2012	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
EMAILSW.COM	Public	GoDaddy.com LLC	10/11/2001	Sportsman's Warehouse
EMAILSW.NET	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
EMAILSW.US	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/27/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
PACIFICFLYWAY.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
RUSTICRIDGE.CO.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICRIDGEOUTFITTERS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICRIDGESPORTS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICSPORTSMANS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTIKRIDGE.COM	Public	GoDaddy.com LLC	09/05/2012	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SMWDEPOT.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWH.NET	Public	GoDaddy.com LLC	05/02/2004	Sportsman's Warehouse
SMWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWSHOP.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SMWSTORE.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	10/22/2004	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.COM	Public	GoDaddy.com LLC	06/28/2002	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.INFO	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.MOBI	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.NET	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.ORG	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.US	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANS.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANS.ORG	Public	GoDaddy.com LLC	10/25/2001	Sportsman's Warehouse

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANS.TV	Public	GoDaddy.com LLC	10/08/2007	Sportsman's Warehouse
SPORTSMANS.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSAVIATION.COM	Public	GoDaddy.com LLC	11/08/2007	Sportsman's Warehouse
SPORTSMANSFISHINGWAREHOUSE.COM	Public	GoDaddy.com LLC	11/10/2011	Sportsman's Warehouse
SPORTSMANSHUNTINGWAREHOUSE.NET	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTSMANSNATION.COM	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNATION.ORG	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNEWS.BIZ	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.COM	Public	GoDaddy.com LLC	03/21/2004	Sportsman's Warehouse
SPORTSMANSNEWS.INFO	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.MOBI	Public	GoDaddy.com LLC	09/17/2008	Sportsman's Warehouse
SPORTSMANSNEWS.NET	Public	GoDaddy.com LLC	12/17/2004	Sportsman's Warehouse
SPORTSMANSNEWS.ORG	Public	GoDaddy.com LLC	06/27/2006	Sportsman's Warehouse
SPORTSMANSNEWS.WS	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	09/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.BIZ	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CC	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	12/21/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NET.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.ORG	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSWAREHOUSE.ORG.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.TV	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.US	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWEARHOUSE.COM	Public	GoDaddy.com LLC	11/27/2005	Sportsman's Warehouse
SPORTSMANSWH.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse
SPORTSMANSWHAREHOUSE.COM	Public	GoDaddy.com LLC	10/30/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/25/2008	Sportsman's Warehouse
SPORTSMANSWHSE.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse
SPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	06/25/2002	Sportsman's Warehouse
SWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
THESPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	01/21/2011	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSHUNTINGWAREHOUSE.COM	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTMANSWEREHOUSE.COM	Public	GoDaddy.com LLC	12/02/2006	Sportsman's Warehouse
SPORTSMAN-WAREHOUSE.COM	Public	GoDaddy.com LLC	09/29/2004	Sportsman's Warehouse
YUKONGOLDOUTFITTERS.COM	Public	GoDaddy.com LLC	09/18/2012	Sportsman's Warehouse

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None.

PATENTS OWNED BY SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

None.

TRADEMARKS OWNED BY SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

None.

COPYRIGHTS OWNED BY SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

None.

PATENTS OWNED BY SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

None.

TRADEMARKS OWNED BY SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

None.

COPYRIGHTS OWNED BY MINNESOTA MERCHANDISING CORP.

None.

PATENTS OWNED BY MINNESOTA MERCHANDISING CORP.

None.

TRADEMARKS OWNED BY MINNESOTA MERCHANDISING CORP.

None.

COPYRIGHTS OWNED BY PACIFIC FLYWAY WHOLESAL, LLC

None.

PATENTS OWNED BY PACIFIC FLYWAY WHOLESAL, LLC

None.

TRADEMARKS OWNED BY PACIFIC FLYWAY WHOLESAL, LLC

None.

COMMERCIAL TORT CLAIMS

None.

SUPPLEMENT NO. [—] (this “**Supplement**”) dated as of [—], 20[—] to the Guarantee and Collateral Agreement dated as of November 13, 2012 (the “**Guarantee and Collateral Agreement**”), among SPORTSMAN’S WAREHOUSE, INC., a Utah corporation (the “**Borrower**”), SPORTSMAN’S WAREHOUSE HOLDINGS, INC., a Utah corporation (“**Holdings**”), each Subsidiary of the Borrower from time to time party thereto (each such Subsidiary individually a “**Subsidiary Guarantor**” and collectively, the “**Subsidiary Guarantors**”; the Subsidiary Guarantors, Borrower and Holdings are referred to collectively herein as the “**Grantors**”) and CREDIT SUISSE AG (together with its affiliates, “**Credit Suisse**”), as collateral agent (in such capacity, the “**Collateral Agent**”) for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among the Borrower, Holdings, the lenders from time to time party thereto (the “**Lenders**”) and Credit Suisse AG, as administrative agent for the Lenders and as Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Guarantee and Collateral Agreement referred to therein, as applicable.

C. The Grantors have entered into the Guarantee and Collateral Agreement in order to induce the Lenders to make Loans. Section 7.16 of the Guarantee and Collateral Agreement provides that additional Subsidiaries may become Subsidiary Guarantors and Grantors under the Guarantee and Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the “**New Grantor**”) is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Guarantor and a Grantor under the Guarantee and Collateral Agreement in order to induce the Lenders to make additional Loans and as consideration for Loans previously made.

Accordingly, the Collateral Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 7.16 of the Guarantee and Collateral Agreement, the New Grantor by its signature below becomes a Grantor and Subsidiary Guarantor under the Guarantee and Collateral Agreement with the same force and effect as if originally named therein as a Grantor and Subsidiary Guarantor and the New Grantor hereby (a) agrees to all the terms and provisions of the Guarantee and Collateral Agreement applicable to it as a Grantor and Subsidiary Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor and Subsidiary Guarantor thereunder are true and correct in all material respects on and as of the date hereof (after giving effect to this Supplement) with the same effect as though made on and as of such date (with all references to “the date hereof” contained in the Guarantee and Collateral Agreement being references to the date of this Supplement with respect to the New Grantor), except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date); provided that, in each case, where a representation and warranty is qualified as to materiality or by Material Adverse Effect, the applicable materiality qualifier set forth in clause (b) shall be disregarded for purposes of this condition. In furtherance of the foregoing, the New Grantor, as security for the payment or

performance, as the case may be, in full of the Obligations hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a Security Interest, in all right, title or interest in or to any and all of the assets and properties 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. Each reference to a "Grantor" or a "Subsidiary Guarantor" in the Guarantee and Collateral Agreement shall be deemed to include the New Grantor. The Guarantee and Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Grantor and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Grantor hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of any and all Equity Interests and Pledged Debt Securities now owned by the New Grantor, (b) set forth on Schedule II attached hereto is a true and correct schedule of any and all Intellectual Property applications or registrations now owned by the New Grantor, (c) set forth on Schedule III attached hereto is a true and correct schedule of any and all Commercial Tort Claims now held by the New Grantor and (d) set forth under its signature hereto, is the true and correct legal name of the New Grantor and its jurisdiction of organization. Such schedules supplement Schedules II, III and IV, respectively, to the Collateral & Guarantee Agreement and shall be deemed a part thereof for all purposes of the Collateral & Guarantee Agreement.

SECTION 5. Except as expressly supplemented hereby, the Guarantee and Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guarantee and Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). 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.

SECTION 8. All communications and notices hereunder shall (except as otherwise expressly permitted by the Guarantee and Collateral Agreement) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 9. The New Grantor agrees to reimburse the Collateral Agent for its out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent (subject to the limitations set forth in Section 9.05 of the Credit Agreement).

IN WITNESS WHEREOF, the New Grantor and the Collateral Agent have duly executed this Supplement to the Guarantee and Collateral Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

by _____

Name:
Title:
Address:
Legal Name:
Jurisdiction of Formation:

CREDIT SUISSE AG, as Collateral Agent,

by _____

Name:
Title:

by _____

Name:
Title:

Collateral of the New Grantor

EQUITY INTERESTS

<u>Issuer</u>	<u>Number of Certificate</u>	<u>Registered Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Percentage of Equity Interests</u>

PLEDGED DEBT SECURITIES

<u>Issuer</u>	<u>Principal Amount</u>	<u>Date of Note</u>	<u>Maturity Date</u>

INTELLECTUAL PROPERTY

[Follow format of Schedule III to the Guarantee and Collateral Agreement.]

FORM OF PERFECTION CERTIFICATE

[See attached]

PERFECTION CERTIFICATE

August 20, 2013

Reference is made to the Credit Agreement (the "Term Credit Agreement"), dated as of August 20, 2013, by and among Sportsman's Warehouse, Inc., a Utah corporation, as Borrower, Sportsman's Warehouse Holdings, Inc., a Utah corporation, as Holdings, the lenders from time to time party thereto, and Credit Suisse AG, as administrative agent (in such capacity, the "Term Administrative Agent") and as collateral agent (in such capacity, the "Term Collateral Agent").

Reference is also made to that certain Third Amendment to Credit Agreement (the "ABL Facility Amendment"), dated as of August 20, 2013, by and among the Borrower, as lead borrower, the other Borrowers and Guarantors party thereto, Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "ABL Administrative Agent"), collateral agent (in such capacity, the "ABL Collateral Agent") and swing line lender, and the other lenders party thereto, with respect to the Credit Agreement, dated as of May 28, 2010, by, among others, Borrower, as lead borrower, the other Borrowers and Guarantors party thereto from time to time, the lenders party thereto from time to time, and the ABL Administrative Agent (as amended, restated, supplemented and otherwise modified and in effect from time to time, the "ABL Credit Agreement").

Capitalized terms used but not defined herein have the meanings set forth in the Term Credit Agreement, the Guarantee and Collateral Agreement referred to therein (the "Term Guarantee and Collateral Agreement"), the ABL Credit Agreement or the Security Agreement referred to therein (the "ABL Security Agreement"), as applicable.

The undersigned, a Responsible Officer of each of the Loan Parties, hereby certifies solely in its capacity as an officer of such entities and not in an individual capacity, as of the date hereof, to the Term Administrative Agent, Term Collateral Agent and each other Secured Party (as defined in the Term Guarantee and Collateral Agreement), and to the ABL Administrative Agent, ABL Collateral Agent and each other Credit Party (as defined in the ABL Credit Agreement) as follows:

1. Names.

- (a) Legal Names, Types of Organization, Jurisdictions of Organization and Organizational Identification Numbers. The full and exact legal name (as it appears in each respective certificate or articles of incorporation, limited liability membership agreement or similar organizational documents, in each case as amended to date), the type of organization, the jurisdiction of organization, organizational identification number and tax identification number of each Loan Party are set forth in the table below. Each Loan Party is a registered organization in the jurisdiction of organization indicated:

<u>Name of Loan Party</u>	<u>Type of Organization</u>	<u>Jurisdiction of Organization</u>	<u>State Organizational ID Number</u>	<u>Federal Tax ID Number</u>
Sportsman's Warehouse Holdings, Inc.	Corporation	Utah	1467586-0142	39-1975614
Sportsman's Warehouse, Inc.	Corporation	Utah	991589-0142	87-0452614
Minnesota Merchandising Corp.	Corporation	Minnesota	678698-2	20-0942908
Sportsman's Warehouse Southwest, Inc.	Corporation	California	C2888368	20-5218590
Pacific Flyway Wholesale, LLC	Limited Liability Company	Delaware	4739552	27-1088315

(b) Changes in Names, Jurisdiction of Organization or Corporate Structure. Except as set forth below, no Loan Party has changed its identity or organizational structure in any way within the past five years. Changes in identity or organizational structure would include mergers, consolidations and acquisitions, as well as any change in the legal name or the form, nature or jurisdiction of organization. If any such change has occurred, include below a description of any such changes, the current legal name and any former legal names used by such Loan Party in the past five years as to each acquiree or constituent party to a merger or consolidation.

<u>Name of Loan Party</u>	<u>Description of Change</u>
Sportsman's Warehouse, Inc.	On October 26, 2009, Pacific Flyway Wholesale, Inc. a Utah corporation, merged with and into Sportsman's Warehouse, Inc., the "Surviving Corporation".

(c) Acquisitions of Equity Interests or Assets. Except as set forth below, no Loan Party has acquired substantially all the equity interests or assets of another entity within the past five years:

In March 2013, Sportsman's Warehouse, Inc. acquired from Wholesale Sports USA, Inc. (formerly known as UFA Holdings, Inc.) all assets related to their stores in the United States, which assets were comprised of inventory and fixed assets and, with respect to 10 of the 15 stores, the assumption of property leases. No intellectual property was acquired in this transaction.

(d) Trade Names. The following is a list of all other names (other than names listed in Section 1(b) above), including trade names or similar appellations, used by each Loan Party or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years:

None.

2. Filings. Uniform Commercial Code financing statements attached as Schedule 2A hereto have been prepared for filing in the proper Uniform Commercial Code filing office in the jurisdiction in which each Loan Party is located (within the meaning of Section 9-307 of the New York UCC) and, to the extent any of the collateral is comprised of fixtures, timber to be cut or as extracted collateral from the wellhead or minehead. Set forth below is a schedule of the appropriate filing offices for the filings attached as Schedule 2A and for the filings described in Section 10 below

and attached as Schedule 10A and Schedule 10B hereto. Except as set forth below, no other actions are required to create, preserve, protect and perfect the security interest in the Collateral granted to the Term Collateral Agent, the ABL Collateral Agent and/or the other Secured Parties:

<u>Loan Party</u>	<u>Type of Filing</u>	<u>Filing Office</u>
Sportsman's Warehouse Holdings, Inc.	UCC-1	Utah Department of Commerce, Division of Corporations and Commercial Code
Sportsman's Warehouse, Inc.	UCC-1	Utah Department of Commerce, Division of Corporations and Commercial Code
	USPTO Filing	United States Patent and Trademark Office
Minnesota Merchandising Corp.	UCC-1	Minnesota Secretary of State
Sportsman's Warehouse Southwest, Inc.	UCC-1	California Secretary of State
Pacific Flyway Wholesale, LLC	UCC-1	Delaware Secretary of State

3. File Search Reports. File search reports have been obtained from each Uniform Commercial Code filing office identified with respect to such Loan Party in Section 2 hereof, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Term Credit Agreement and the ABL Credit Agreement.

4. Current Locations.

(a) Chief Executive Offices and Mailing Addresses. The chief executive office address and the preferred mailing address (if different than chief executive office) of each Loan Party are as follows:

<u>Name of Loan Party</u>	<u>Address of Chief Executive Office</u>	<u>Mailing Address</u>
Sportsman's Warehouse Holdings, Inc.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Sportsman's Warehouse, Inc.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Minnesota Merchandising Corp.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Sportsman's Warehouse Southwest, Inc.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Pacific Flyway Wholesale, LLC	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047

- (b) Set forth below are all the locations where each Loan Party owns or leases any real property and, in the case of any such real property owned in fee, an estimate of the fair market value thereof and the applicable filing offices for such real property. Except as described below, no Loan Party has entered into any leases, subleases, tenancies, franchise agreements, licenses or other occupancy arrangements as owner, lessor, sublessor, licensor, franchisor or Loan Party with respect to any of the real property described below, and no Loan Party has any leases which require the consent of the landlord, tenant or other party thereto to the Transactions:

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse, Inc.	1750 South Greenfield Rd., Mesa, AZ 85206-3481	Maricopa	Store	Leased
Sportsman's Warehouse, Inc.	19205 North 27th Ave., Phoenix, AZ 85027	Maricopa	Store	Leased ²
Sportsman's Warehouse, Inc.	1675 Rocky Mountain Ave., Loveland, CO 80538	Larimer	Store	Leased
Sportsman's Warehouse, Inc.	11 West 84th Ave, Thornton, CO 80260	Adams	Store	Leased
Sportsman's Warehouse, Inc.	921 SE Oralabor Rd., Ankeny, IA 50021	Polk	Store	Leased
Sportsman's Warehouse, Inc.	165 West 7200 South, Midvale, UT 84047	Salt Lake	Store	Leased ³
Sportsman's Warehouse, Inc.	8681 Old Seward Highway, Anchorage, AK 99515	Municipality of Anchorage	Store	Leased
Sportsman's Warehouse, Inc.	423 Merhar Avenue, Fairbanks, AK 99701-3166	Fairbanks North Star Borough	Store	Leased
Sportsman's Warehouse, Inc.	44402 Sterling Highway, Soldotna, AK 99669-8033	Kenai Peninsula Borough	Store	Leased
Sportsman's Warehouse, Inc.	1901 East Parks Highway, Wasilla, AK 99654	Matanuska-Susitna Borough	Store	Leased
Sportsman's Warehouse, Inc.	3945 West Costco Drive, Marana (Tucson), AZ 85741	Pima	Store	Leased
Sportsman's Warehouse Southwest, Inc.	1659 Hilltop Drive, Redding, CA 96002-0240	Shasta	Store	Leased

¹ * indicates property is a chattel paper location.

² This property is also subject to a License Agreement dated September 26, 2012 by and between Sportsman's Warehouse, Inc. and Hot Diggity Dog, a private vendor as Licensee. Licensee operates a hot dog stand on approximately 100 square feet of space upon a portion of the sidewalk serving the property.

³ This property is also subject to a License Agreement dated October 17, 2012, by and between Sportsman's Warehouse, Inc. and Luly's LLC, a Utah limited liability company. Licensee operates a taco stand on the premises.

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse Southwest, Inc. (an assignee of Sportsman's Warehouse, Inc.)	6640 Lonetree Blvd., Rocklin, CA 95765	Placer	Store	Leased
Sportsman's Warehouse, Inc.	555 North Chelton Road, Colorado Springs, CO 80909-5217	El Paso	Store	Leased
Sportsman's Warehouse, Inc.	2464 US Highway 6 & 50, Suite A, Grand Junction, CO 81505	Mesa	Store	Leased
Sportsman's Warehouse, Inc.	2909 South 25th East, Idaho Falls, ID 83405	Bonneville	Store	Leased
Sportsman's Warehouse, Inc.	2002 Thain Grade, Lewiston, ID, 83501-4105	Nez Perce	Store	Leased
Sportsman's Warehouse, Inc.	3797 East Fairview Avenue, Meridian, ID 83642	Ada	Store	Leased
Sportsman's Warehouse, Inc.	16865 North Market Place Blvd., Nampa, ID 83687	Canyon	Store	Leased
Sportsman's Warehouse, Inc.	1940 Bridgeview Blvd., Twin Falls, ID 83301	Twin Falls	Store	Leased
Sportsman's Warehouse, Inc.	2200 War Admiral Way, Suite 140, Lexington, KY 40509	Lexington-Fayette	Store	Leased
Sportsman's Warehouse, Inc.	130 Marathon Way, Southaven, MS 38671	DeSoto	Store	Leased
Sportsman's Warehouse, Inc.	5647 Centennial Center Boulevard, Las Vegas, NV 89149-7104	Clark	Store	Leased
Sportsman's Warehouse, Inc.	3306 Kietzke Lane, Reno, NV 89502	Washoe	Store	Leased
Sportsman's Warehouse, Inc.	1450 Renaissance Blvd. NE, Albuquerque, NM 87107	Bernalillo	Store	Leased
Sportsman's Warehouse, Inc.	4905 E. Main St., Farmington NM 87402-8657	San Juan	Store	Leased
Sportsman's Warehouse, Inc.	1710 Delta Waters Road, Medford, OR 97504	Jackson	Store	Leased
Sportsman's Warehouse, Inc.	476 Piney Grove Road, Columbia, SC 29210	Lexington	Store	Leased
Sportsman's Warehouse, Inc.	6241 Perimeter Drive, Suite 101, Chattanooga, TN 37421	Hamilton	Store	Leased
Sportsman's Warehouse, Inc.	1075 South University Avenue, Provo, UT 84601	Utah	Store	Leased
Sportsman's Warehouse, Inc.	7035 S. High Tech Drive, Suite 200, Midvale, UT 84047	Salt Lake	Headquarters*	Leased

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse, Inc.	1137 West Riverdale Road, Riverdale, UT 84405	Weber	Store	Leased
Sportsman's Warehouse, Inc.	2957 East 850 North, St. George, UT 84790	Washington	Store	Leased
Sportsman's Warehouse, Inc.	9669 South Prosperity Road, West Jordan, UT 84081	Salt Lake	Warehouse	Leased ⁴
Sportsman's Warehouse, Inc.	3550 Ferncliff Avenue N.W., Roanoke, VA 24017	Roanoke	Store	Leased
Sportsman's Warehouse, Inc.	120 31st Avenue SE, Suite G, Puyallup, WA 98374	Pierce	Store	Leased
Sportsman's Warehouse, Inc.	4120 East 2nd Street, Casper, WY 82609-2319	Natrona	Store	Leased
Sportsman's Warehouse, Inc.	3745 East Lincoln Way, Cheyenne, WY 82001	Laramie	Store	Leased
Sportsman's Warehouse, Inc.	41 W. 84th Avenue, Thornton, CO 80260.	Adams	Out parcel	Owned ⁵
Sportsman's Warehouse, Inc.	1443 South Carson Street, Carson City, NV 89701	Carson City	Store	Leased
Sportsman's Warehouse, Inc.	611 Valley Mall Parkway, East Wenatchee, WA 98801	Chelan	Store	Leased
Sportsman's Warehouse, Inc.	18645 NW Tanasbourne Drive, Hillsboro, OR 97124-7129	Washington	Store	Leased
Sportsman's Warehouse, Inc.	91 E 1400 N, Logan, Utah 84341	Cache	Store	Leased
Pacific Flyway Wholesale, LLC	1630 South 5070 West, Salt Lake City, UT 84104	Salt Lake	Warehouse	Leased
	1730 South 5200 West Salt Lake City, UT 84104 ⁶			
Sportsman's Warehouse, Inc.	2214 Tschache Lane, Bozeman, Montana 59715	Gallatin	Store	Leased
Sportsman's Warehouse, Inc.	2990 N. Sanders Road, Helena, Montana 59601	Lewis and Clark	Store	Leased
Sportsman's Warehouse, Inc.	2323 North Reserve Street, Missoula, Montana 59808	Missoula	Store	Leased
Sportsman's Warehouse, Inc.	63492 Hunnell Road, Bend, Oregon 97701	Deschutes	Store	Leased
Sportsman's Warehouse, Inc.	9401 East 82nd Avenue, Portland (Clackamas), Oregon 97222	Multnomah	Store	Leased

⁴ This property is also subject to a Sublease dated September 12, 2012 between Sportsman's Warehouse, Inc. and Integracore, LLC.

⁵ The estimated market value is \$376,768.

⁶ This location is for a powder bunker at the facility, which is part of the lease.

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse, Inc.	1260 Lancaster Drive SE, Salem, Oregon 97317	Marion	Store	Leased
Sportsman's Warehouse, Inc.	1405 S. 348th Street, Federal Way, Washington 98003	King	Store	Leased
Sportsman's Warehouse, Inc.	6603 West Canal Drive, Kennewick, Washington 99336	Benton	Store	Leased
Sportsman's Warehouse, Inc.	9577 Ridgetop Blvd., N.W., Suite 150, Silverdale, Washington 98383	Kitsap	Store	Leased
Sportsman's Warehouse, Inc.	11505 NE Fourth Plan Road, Vancouver, Washington 98662	Clark	Store	Leased
Sportsman's Warehouse, Inc.	***	Salt Lake	Apartment Lease for CEO	Leased

(c) Set forth below opposite the name of each Loan Party are all locations where such Loan Party maintains any books or records relating to any Collateral (with each location at which chattel paper, if any, is kept being indicated by an "*"):

See Sections 4(a) and 4(b) above.

(d) Set forth below opposite the name of each Loan Party are all the locations where such Loan Party maintains any material amount (fair market value of \$250,000 or more) of its tangible personal property of such Loan Party (whether or not in the possession of such Loan Party) not identified in Section 4(a) or 4(b):

None.

(e) Set forth below opposite the name of each Loan Party are the names and addresses of all Persons other than such Loan Party, such as lessees, consignees, warehousemen, bailees or purchasers of chattel paper, that have possession of any material amount (fair market value of \$250,000 or more) of tangible personal property of such Loan Party:

None.

(f) Set forth below opposite the name of each Loan Party are the addresses of all other places of business not listed above:

None.

5. Deposit and Securities Accounts. Set forth below is a true and correct list of each deposit account, securities accounts, or commodity accounts held by each Loan Party, including the name of each institution where each such account is held, the name of such account, the account number of such account and the name of each Person that holds such account:

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Policy Description</u>	<u>Insurer</u>	<u>Broker</u>	<u>Policy Number</u>	<u>Expiration Date</u>
Directors & Officers, Employment Practices, Third Party Discrimination, Fiduciary	National Union Fire Insurance Co.	Diversified Insurance/Carpenter Moore	***	4/1/14
D&O EPLI – Excess	Federal Insurance Company	Diversified Insurance/Carpenter Moore	***	4/1/14
Worker’s Compensation (CA Locations)	Cypress Ins. Co.	Lockton Companies	***	11/1/13
Worker’s Compensation (OR Locations)	Continental Divide Ins Co.	Lockton Companies	***	11/1/13
Worker’s Compensation (All other Locations)	Berkshire Hathaway	Lockton Companies	***	11/1/13
General Liability (California/ Nevada Stores)	Nationwide Mutual Insurance	Lockton Companies	***	11/1/13
General Liability (Kentucky/Mississippi Stores)	Nationwide Property & Casualty Insurance Co.	Lockton Companies	***	11/1/13
General Liability (Alaska Stores)	Scottsdale	Lockton Companies	***	11/1/13
General Liability (All other locations)	Depositor’s Insurance Co	Lockton Companies	***	11/1/13
Property	Affiliated FM	Lockton Companies	***	11/1/13
Umbrella	National Union Fire Ins of PA	Lockton Companies	***	11/1/13
XS Quake	QBE	Lockton Companies	***	11/1/13
Auto	Depositors Ins. Co.	Lockton Companies	***	11/1/13
Ocean Cargo	Lloyds of London	Lockton Companies	***	11/1/13
Crime	National Union Fire of PA	Lockton Companies	***	11/1/13
Network Security	Network Security	Lockton Companies	***	11/1/13

8. Equity Ownership and other Equity Interests. Set forth below opposite each Loan Party’s name is a true and correct list of all the issued and outstanding capital stock or other equity interests held of record and/or beneficially owned by such Loan Party (including, without any limitation, any equity investment of such Loan Party that represents 50% or less of the equity of the entity in which such investment was made). Attached hereto as Exhibit A is a true and correct organizational chart showing the ownership of each Loan Party and all of its affiliates.

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Name of Loan Party</u>	<u>Name of Issuer</u>	<u>Type of Organization</u>	<u>Class of Capital Stock</u>	<u>Certificate No.(s)</u>	<u>Number of Shares or Equity Interests</u>	<u>Percentage of Outstanding Shares or Equity Interests</u>	<u>Par Value</u>
Sportsman's Warehouse Holdings, Inc.	Sportsman's Warehouse, Inc.	Corporation	Common Stock	1	100 shares	100%	\$0.01 par value
Sportsman's Warehouse Holdings, Inc.	Minnesota Merchandising Corp.	Corporation	Common Stock	1	100 shares	100%	\$0.01 par value
Sportsman's Warehouse, Inc.	Sportsman's Warehouse Southwest, Inc.	Corporation	Common Stock	1	100 shares	100%	\$0.01 par value
Sportsman's Warehouse, Inc.	Pacific Flyway Wholesale, LLC	Limited liability company	Percentage interests	N/A	100% of percentage interests	100%	N/A

9. Debt Instruments. Set forth below is a true and correct list of all promissory notes and any other instruments evidencing indebtedness of any Loan Party held by the Loan Parties, including all intercompany notes between the Loan Parties:

None.

10. US Intellectual Property. Attached hereto as Schedule 10A in proper form for filing with the United States Patent and Trademark Office is a true and complete schedule setting forth all of each Loan Party's United States issued Patents, Patent applications, Trademark applications and Trademark registrations, including the name of the registered owner and the application/registration number, as applicable, of each issued Patent, Patent application, Trademark application and Trademark registration owned by any Loan Party. Attached hereto as Schedule 10B in proper form for filing with the United States Copyright Office is a true and complete schedule setting forth all of each Loan Party's United States Copyright registrations and applications, including the name of the registered owner and the application/registration number of each such Copyright registration owned by any Loan Party. Attached hereto as Schedule 10C is a description of all material intellectual property licenses (whether the Loan Party is licensor or licensee).

11. Foreign Intellectual Property. Attached hereto as Schedule 11A is a true and complete schedule setting forth all of each Loan Party's non-U.S. Patents and Patent applications, Trademark registrations and Trademark applications, including the name of the registered owner and the application/registration number, as applicable, of each non-U.S. issued Patent, Patent application, Trademark registration and Trademark application owned by any Loan Party. Attached hereto as Schedule 11B is a true and complete schedule setting forth all of each Loan Party's non-U.S. Copyright registrations and applications, including the name of the registered owner and the application/registration number of each such non-U.S. Copyright registration owned by any Loan Party.

12. Taxes. Set forth below is a true and correct list of all delinquent taxes due for any Loan Party (including, but not limited to, all payroll taxes, personal property taxes, real estate or income taxes).
None.
13. Assignment of Claims Act. Set forth below is a true and correct list of all written contracts between any Loan Party and the United States government or any department or agency thereof that have a remaining value of at least \$250,000, setting forth the contract number, name and address of contracting officer (or other party to whom a notice of assignment under the Assignment of Claims Act should be sent), contract start date and end date, agency with which the contract was entered into, and a description of the contract type.
None.
14. Commercial Tort Claims and Judgments. Set forth below is a description of each commercial tort claim or judgment held by each Loan Party:
None.
15. Letters of Credit. Set forth below is a true and correct list of all letters of credit issued in favor of each Loan Party, as beneficiary thereunder:
None.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Perfection Certificate as of the date first written above.

SPORTSMAN'S WAREHOUSE, INC.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to Perfection Certificate

U.S. TRADEMARKS

<u>Federal Trademark</u>	<u>Registration #</u>	<u>Registration Date</u>
SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	2,390,988	10/03/2000
VITAL IMPACT	2,911,265	12/14/2004
THE GREAT INDOORS FOR THOSE WHO LOVE THE GREAT OUTDOORS	3,001,204	09/27/2005
SPORTSMAN'S NEWS and design	3,060,233	02/21/2006
SPORTSMAN'S WAREHOUSE EST. 1986 OUTFITTER with design	3,223,766	04/03/2007
SPORTSMAN LITE	3,354,654	12/11/2007
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER and design	3,472,243	07/22/2008
SPORTSMAN'S WAREHOUSE	3,675,144	09/01/2009
SPORTSMAN'S WAREHOUSE and design	3,886,160	12/07/2010
ELK HUNTER	3,172,144	11/14/2006
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING Ÿ FISHING Ÿ CAMPING Ÿ RELOADING Ÿ OUTERWEAR Ÿ FOOTWEAR and design	3,886,154	12/07/2010
LOST RIVER	3,095,578	05/23/2006
SPORTSMAN'S NEWS THE OFFICIAL PUBLICATION OF SPORTSMAN'S WAREHOUSE	4,267,214	01/01/2013

State Trademark Registrations:

<u>State</u>	<u>State Trademark</u>	<u>Registration #</u>	<u>Date</u>
Utah	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	UT 37654 2524501-0190	01/30/1998 (Renewed 3/19/2008)
Idaho	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	16237	02/08/1999
Idaho	SPORTSMAN'S WAREHOUSE	16236	02/08/1999
Colorado	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR	19991032010	02/19/1999
Colorado	SPORTS WAREHOUSE INC.	19991032013	02/19/1999
Montana	SPORTSMAN'S WAREHOUSE	22742	05/19/2003
Washington	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	51,926	07/23/2007

Trade Name Registrations:

<u>State</u>	<u>Trade Name</u>	<u>Registration #</u>	<u>Date</u>
Wyoming	SPORTSMAN'S WAREHOUSE	2000-000404918	05/25/2000 (Renewed 05/21/2010)
Colorado	SPORTSMAN'S WAREHOUSE	19991024660	02/09/1999

Trademark Applications:

<u>Trademark</u>	<u>Application Number</u>	<u>Application Date</u>
TAKE IT OUTSIDE	86/015,232	07/19/2013
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING FISHING CAMPING RELOADING CLOTHING FOOTWEAR TAKE IT OUTSIDE	86/015,241	07/19/2013
SW	86/004,216	07/08/2013
DESIGN (outline of Mountain Range)	85/727,803	09/13/2012
RUSTIC RIDGE	85/721,995	09/06/2012

DOMAIN NAME REGISTRATIONS:

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
BOYDSSPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	08/02/2010	Sportsman's Warehouse
BOYDSSPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	07/18/2010	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	03/05/2012	Sportsman's Warehouse
EMAILSW.COM	Public	GoDaddy.com LLC	10/11/2001	Sportsman's Warehouse
EMAILSW.NET	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
EMAILSW.US	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/27/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
PACIFICFLYWAY.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
RUSTICRIDGE.CO.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICRIDGEOUTFITTERS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
RUSTICRIDGESPORTS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICSPORTSMANS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTIKRIDGE.COM	Public	GoDaddy.com LLC	09/05/2012	Sportsman's Warehouse
SMWDEPOT.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWH.NET	Public	GoDaddy.com LLC	05/02/2004	Sportsman's Warehouse
SMWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWSHOP.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SMWSTORE.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SPORTMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	10/22/2004	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.COM	Public	GoDaddy.com LLC	06/28/2002	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.INFO	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.MOBI	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.NET	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.ORG	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.US	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANS.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANS.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANS.ORG	Public	GoDaddy.com LLC	10/25/2001	Sportsman's Warehouse
SPORTSMANS.TV	Public	GoDaddy.com LLC	10/08/2007	Sportsman's Warehouse
SPORTSMANS.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSAVIATION.COM	Public	GoDaddy.com LLC	11/08/2007	Sportsman's Warehouse
SPORTSMANSFISHINGWAREHOUSE.COM	Public	GoDaddy.com LLC	11/10/2011	Sportsman's Warehouse
SPORTSMANSHUNTINGWAREHOUSE.NET	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTSMANSNATION.COM	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNATION.ORG	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNEWS.BIZ	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.COM	Public	GoDaddy.com LLC	03/21/2004	Sportsman's Warehouse
SPORTSMANSNEWS.INFO	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.MOBI	Public	GoDaddy.com LLC	09/17/2008	Sportsman's Warehouse
SPORTSMANSNEWS.NET	Public	GoDaddy.com LLC	12/17/2004	Sportsman's Warehouse

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSNEWS.ORG	Public	GoDaddy.com LLC	06/27/2006	Sportsman's Warehouse
SPORTSMANSNEWS.WS	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	09/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.BIZ	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CC	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	12/21/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSWAREHOUSE.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NET.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.ORG	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.ORG.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.TV	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.US	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWEARHOUSE.COM	Public	GoDaddy.com LLC	11/27/2005	Sportsman's Warehouse
SPORTSMANSWH.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse
SPORTSMANSWHAREHOUSE.COM	Public	GoDaddy.com LLC	10/30/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/25/2008	Sportsman's Warehouse
SPORTSMANSWHSE.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	06/25/2002	Sportsman's Warehouse
SWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
THESPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	01/21/2011	Sportsman's Warehouse
SPORTSMANSHUNTINGWAREHOUSE.COM	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTMANSWEREHOUSE.COM	Public	GoDaddy.com LLC	12/02/2006	Sportsman's Warehouse
SPORTSMAN-WAREHOUSE.COM	Public	GoDaddy.com LLC	09/29/2004	Sportsman's Warehouse
YUKONGOLDOUTFITTERS.COM	Public	GoDaddy.com LLC	09/18/2012	Sportsman's Warehouse

U.S. REGISTERED COPYRIGHTS

None.

INTELLECTUAL PROPERTY LICENSES

None.

FOREIGN TRADEMARKS

None.

FOREIGN PATENTS

None.

FOREIGN REGISTERED COPYRIGHTS

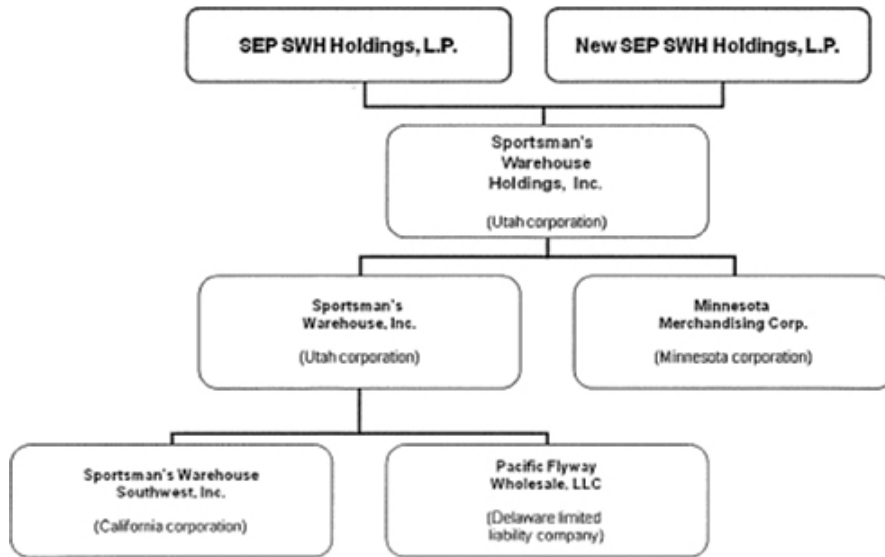
None.

Organizational Chart

Attached.

Sportsman's Warehouse Holdings, Inc.

Organizational Chart



FORM OF SHORT FORM INTELLECTUAL PROPERTY AGREEMENT

See attached.

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT (“Agreement”), dated as of [,], 2010, by [], a [], and [], a [] (each herein referred to as a “Grantor” and, together, the “Grantors”), in favor of Credit Suisse AG, located at Eleven Madison Avenue, New York, NY 10010, as collateral agent (in such capacity, including any successor thereto, the “Collateral Agent”) for the Secured Parties (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, each Grantor owns the Trademark (as defined in the Guarantee and Collateral Agreement referenced below) registrations and applications listed as owned by such Grantor on Schedule 1 annexed hereto; and

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) among the Borrower, Holdings, the Lenders (as each is defined in the Credit Agreement) and, in its capacity as administrative agent and collateral agent, the Collateral Agent, the Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified therein; and

WHEREAS, the obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of that certain Guarantee and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Guarantee and Collateral Agreement”) among Borrower, Holdings, the subsidiaries of the Borrower from time to time party thereto (including each Grantor) and, in its capacity as collateral agent, the Collateral Agent;

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement, each Grantor has pledged to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and granted to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in the Trademark Collateral (as defined below), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest, as security for the payment or performance, as the case may be of the Obligations (as defined in the Credit Agreement).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor, as security for the payment or performance, as the case may be of the Obligations, hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in or to the following (all of the following items or types of property being herein collectively referred to as the “Trademark Collateral”), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest):

- (a) all of the Trademarks owned by such Grantor, including, without limitation:
 - (i) each Trademark registration and application listed as owned by such Grantor on Schedule 1 annexed hereto;
 - (ii) all goodwill associated therewith or symbolized by such Trademarks, and

- (iii) all proceeds of and products of such Trademarks, including any claim by such Grantor against third parties for past, present, future infringement or dilution of such Trademarks or injury to the goodwill associated with such Trademarks.

Notwithstanding the foregoing, the security interest granted herein shall not extend to and the term "Trademark" shall not include any Trademark applications filed in the United States Patent and Trademark Office on the basis of a Grantor's "intent-to-use" such Trademark (unless and until a statement of use in connection therewith has been filed with the United States Patent and Trademark Office). Each Grantor acknowledges that, following the filing with the United States Patent and Trademark Office of a statement of use with respect to any intent-to-use Trademark, such Grantor's interest in any such intent-to-use Trademark application shall automatically be subject to the security interest in favor of the Collateral Agent granted hereunder.

The foregoing security interest is granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. Each Grantor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

This Agreement shall be construed in accordance with and governed by the laws of the state of New York, without regard to conflict of laws principles. Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, 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 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.

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.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

[]

By: _____

Name:

Title:

[]

By: _____

Name:

Title:

Acknowledged and Agreed:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1
to
Trademark Security Agreement

TRADEMARK REGISTRATIONS AND APPLICATIONS

PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT ("Agreement"), dated as of [,], 2010, by [], a [], and [], a [] (each herein referred to as a "Grantor" and, together, the "Grantors"), in favor of Credit Suisse AG, located at Eleven Madison Avenue, New York, NY 10010, as collateral agent (in such capacity, including any successor thereto, the "Collateral Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, each Grantor owns the Patents (as defined in the Guarantee and Collateral Agreement referenced below) and Patent applications listed as owned by such Grantor on Schedule 1 annexed hereto; and

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Borrower, Holdings, the Lenders (as each is defined in the Credit Agreement) and, in its capacity as administrative agent and collateral agent, the Collateral Agent, Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified therein; and

WHEREAS, the obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of that certain Guarantee and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") among Borrower, Holdings, the subsidiaries of the Borrower from time to time party thereto (including each Grantor) and, in its capacity as collateral agent, the Collateral Agent;

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement, each Grantor has pledged to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and granted to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in the Patent Collateral (as defined below), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest, as security for the payment or performance, as the case may be of the Obligations (as defined in the Credit Agreement).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor, as security for the payment or performance, as the case may be of the Obligations, hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in or to the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest):

- (a) all of the Patents owned by such Grantor, including, without limitation:
 - (i) each issued Patent and Patent application listed as owned by such Grantor on Schedule 1 annexed hereto;

- (ii) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein; and
- (iii) all proceeds of and products of such Patents, including any claim by such Grantor against third parties for past, present, future infringement of such Patents.

The foregoing security interest is granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. Each Grantor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

This Agreement shall be construed in accordance with and governed by the laws of the state of New York, without regard to conflict of laws principles. Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, 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 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.

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.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

[]

By: _____

Name:

Title:

[]

By: _____

Name:

Title:

Acknowledged and Agreed:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1
to
Patent Security Agreement

ISSUED PATENTS AND PATENT APPLICATIONS

COPYRIGHT SECURITY AGREEMENT

COPYRIGHT SECURITY AGREEMENT (“Agreement”), dated as of [], 2010, by [], a [], and [], a [] (each herein referred to as a “Grantor” and, together, the “Grantors”), in favor of Credit Suisse AG, located at Eleven Madison Avenue, New York, NY 10010, as collateral agent (in such capacity, including any successor thereto, the “Collateral Agent”) for the Secured Parties (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, each Grantor owns the Copyright (as defined in the Guarantee and Collateral Agreement referenced below) registrations and applications listed as owned by such Grantor on Schedule 1 annexed hereto; and

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) among the Borrower, Holdings, the Lenders (as each is defined in the Credit Agreement) and, in its capacity as administrative agent and collateral agent, the Collateral Agent, the Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified therein; and

WHEREAS, the obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of that certain Guarantee and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Guarantee and Collateral Agreement”) among Borrower, Holdings, the subsidiaries of the Borrower from time to time party thereto (including each Grantor) and, in its capacity as collateral agent, the Collateral Agent;

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement, each Grantor has pledged to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and granted to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in the Copyright Collateral (as defined below), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest, as security for the payment or performance, as the case may be of the Obligations (as defined in the Credit Agreement).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor, as security for the payment or performance, as the case may be of the Obligations, hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in or to the following (all of the following items or types of property being herein collectively referred to as the “Copyright Collateral”), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest):

- (a) all of the Copyrights owned by such Grantor, including, without limitation:
 - (i) each Copyright registration and application listed as owned by such Grantor on Schedule 1 annexed hereto; and

- (ii) all proceeds of and products of such Copyrights, including any claim by such Grantor against third parties for past, present, future infringement of such Copyrights.

The foregoing security interest is granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. Each Grantor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent with respect to the security interest in the Copyright Collateral made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

This Agreement shall be construed in accordance with and governed by the laws of the state of New York, without regard to conflict of laws principles. Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, 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 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.

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.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

[]

By: _____

Name:

Title:

[]

By: _____

Name:

Title:

Acknowledged and Agreed:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1
to
Copyright Security Agreement

COPYRIGHT REGISTRATIONS AND APPLICATIONS

EXHIBIT E

FORM OF INTERCREDITOR AGREEMENT

See attached.

INTERCREDITOR AGREEMENT

by and between

WELLS FARGO BANK, NATIONAL ASSOCIATION

as ABL Agent,

and

CREDIT SUISSE AG

as Term Agent

Dated as of August 20, 2013

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INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT (as Modified (as defined herein) from time to time in accordance with the terms hereof, this "**Agreement**") is entered into as of August 20, 2013 between **WELLS FARGO BANK, NATIONAL ASSOCIATION** ("**Wells Fargo**"), in its capacities as administrative agent and collateral agent (together with its successors and assigns in such capacities, the "**ABL Agent**") for (i) the financial institutions, investors and other Persons (this and each other capitalized term used herein and not otherwise defined having the meaning given to it in Article I below) party from time to time to the ABL Credit Agreement referred to below as lenders (such financial institutions investors and other Persons, together with their respective successors, assigns and transferees, including any letter of credit issuers under the ABL Credit Agreement, the "**ABL Lenders**"), (ii) any ABL Cash Management Providers and (iii) any ABL Bank Product Providers (such ABL Cash Management Providers and ABL Bank Product Providers, together with the ABL Agent and the ABL Lenders and any other secured parties under the ABL Credit Agreement, the "**ABL Secured Parties**") and **CREDIT SUISSE AG**, in its capacities as administrative agent and collateral agent (together with its successors and assigns in such capacities, the "**Term Agent**") for (i) the financial institutions investors and other Persons, party from time to time to the Term Credit Agreement referred to below as lenders (such financial institutions investors and other Persons, together with their respective successors, assigns and transferees, the "**Term Lenders**"), and (ii) any Term Hedging Affiliates (such Term Hedging Affiliates, together with the Term Agent and the Term Lenders, the "**Term Secured Parties**").

RECITALS

A. Pursuant to that certain Credit Agreement dated as of May 28, 2010, among Sportsman's Warehouse, Inc., a Utah corporation, as the lead borrower (in such capacity, the "**Lead Borrower**") for itself and the other Borrowers party thereto from time to time (together with the Lead Borrower, collectively, the "**ABL Borrowers**"), the ABL Borrowers, the Guarantors party thereto from time to time, the ABL Lenders party thereto from time to time and the ABL Agent, as amended by (i) the First Amendment to Credit Agreement, made as of October 27, 2011, by and among the Lead Borrower, the other Borrowers party thereto, the Guarantors party thereto, the ABL Lenders party thereto and the ABL Agent, (ii) the Second Amendment to Credit Agreement, made as of November 13, 2012, by and among the Lead Borrower, the other Borrowers party thereto, the Guarantors party thereto, the ABL Lenders party thereto and the ABL Agent, and (iii) the Third Amendment to Credit Agreement (the "**Third ABL Amendment**"), made as of August 20, 2013, by and among the Lead Borrower, the other Borrowers party thereto, the Guarantors party thereto, the ABL Lenders party thereto and the ABL Agent (and as such agreement has further been and may hereafter be Modified from time to time in accordance with the terms hereof, the "**Original ABL Credit Agreement**"), the ABL Lenders have agreed to make certain loans and other financial accommodations to or for the benefit of the ABL Borrowers.

B. Pursuant to that certain Guaranty dated as of May 28, 2010 (as Modified from time to time in accordance with the terms hereof, the "**ABL Guaranty**"), by each of the ABL Guarantors in favor of the ABL Agent and the other ABL Secured Parties, the ABL Guarantors have guaranteed, inter alia, the payment and performance of the ABL Obligations.

C. As a condition to the effectiveness of the ABL Credit Agreement and to secure the obligations of the ABL Borrowers and the ABL Guarantors (the ABL Borrowers, the ABL Guarantors and each other direct or indirect subsidiary or parent of the Borrowers or any of their affiliates that is now or hereafter becomes a party to any ABL Document, collectively, the “**ABL Credit Parties**”) under and in connection with the ABL Documents (including, without limitation, the ABL Security Agreement (as hereinafter defined)), the ABL Credit Parties granted to the ABL Agent (for the benefit of the ABL Secured Parties) Liens (as hereinafter defined) on the Collateral (as hereinafter defined).

D. Pursuant to that certain Credit Agreement, dated as of August 20, 2013, by and among the Lead Borrower, as the Borrower thereunder (in such capacity, the “**Term Borrower**”), the Parent, as Holdings thereunder, the Term Lenders and the Term Agent (as such agreement may be Modified from time to time in accordance with the terms hereof, the “**Original Term Credit Agreement**”), the Term Lenders have agreed to make term loans to the Term Borrower.

E. Pursuant to that certain Guarantee and Collateral Agreement, dated as of August 20, 2013 (as Modified from time to time in accordance with the terms hereof, the “**Term Guarantee and Collateral Agreement**”) by each of the Term Guarantors in favor of the Term Agent and the other Term Secured Parties, the Term Guarantors have guaranteed, inter alia, the payment and performance of the Term Obligations.

F. As a condition to the effectiveness of the Term Credit Agreement and to secure the obligations of the Term Borrower and the Term Guarantors (the Term Borrower and the Term Guarantors, collectively, the “**Term Credit Parties**”) under and in connection with the Term Documents (including, without limitation, the Term Guarantee and Collateral Agreement), the Term Credit Parties have granted to the Term Agent (for the benefit of the Term Secured Parties) Liens on the Collateral.

G. Each of the ABL Agent (on behalf of the ABL Secured Parties) and the Term Agent (on behalf of the Term Secured Parties) desire to agree to the relative priority of Liens on the Collateral and certain other rights, priorities and interests as provided herein and, by their acknowledgment hereof, the ABL Credit Parties and the Term Credit Parties desire to acknowledge such priorities, rights and interests.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 **DEFINITIONS**

Section 1.1 UCC Definitions. The following terms which are defined in the Uniform Commercial Code are used herein as so defined: Account, Chattel Paper, Commercial Tort Claim, Commodity Account, Commodity Contract, Deposit Account, Document, Electronic Chattel Paper, Equipment, Financial Asset, Fixtures, General Intangible, Instrument, Inventory, Investment Property, Letter-of-Credit Right, Money, Payment Intangible, Promissory Note,

Section 1.2 Other Definitions. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the ABL Credit Agreement or the Term Credit Agreement, as applicable. In addition, subject to Section 1.1, as used in this Agreement, the following terms shall have the meanings set forth below:

“**ABL Agent**” shall have the meaning assigned to that term in the introduction to this Agreement and shall include any successor thereto as well as any Person designated as the “Agent”, “Administrative Agent”, “Collateral Agent”, or similar term under the ABL Credit Agreement.

“**ABL Bank Product Agreement**” means any agreement pursuant to which any ABL Bank Products are provided, including, without limitation, any Swap Contract.

“**ABL Bank Product Obligations**” shall mean obligations owed by any ABL Borrower or any other ABL Credit Party to any ABL Bank Product Provider pursuant to any ABL Bank Product Agreement or otherwise in respect of or in connection with any ABL Bank Products.

“**ABL Bank Product Provider**” shall mean, as of any date of determination, the ABL Agent, any ABL Lender or any of their respective Affiliates that is owed ABL Bank Product Obligations by an ABL Credit Party, together with their respective successors, assigns and transferees.

“**ABL Bank Products**” means any services or facilities (excluding any letters of credit, revolving loans or other debt for borrowed money) provided to any ABL Credit Party by the ABL Agent or any of its Affiliates (but excluding Cash Management Services) including, without limitation, on account of (a) Swap Contracts, (b) merchant services constituting a line of credit, (c) leasing, (d) Factored Receivables (as defined in the ABL Credit Agreement), and (e) supply chain finance services including, without limitation, trade payable services and supplier accounts receivable purchases.

“**ABL Borrowers**” shall have the meaning assigned to that term in the recitals to this Agreement.

“**ABL Borrowing Base**” shall have the meaning assigned to that term in the ABL Credit Agreement as in effect as of the date hereof, including all component definitions thereof.

“**ABL Cash Management Obligations**” shall mean obligations owed by any ABL Borrower or any other ABL Credit Party to any ABL Cash Management Provider in respect of or in connection with any Cash Management Services.

“**ABL Cash Management Provider**” shall mean, as of any date of determination, the ABL Agent or any of its Affiliates who provide Cash Management Services to any ABL Credit Party.

“ABL Collateral Documents” shall mean all “Security Documents” or any similar terms as defined in the ABL Credit Agreement, and all other security agreements, mortgages, deeds of trust, account control agreements, customs brokers agreements, collateral access agreements, and other collateral documents executed and delivered in connection with the ABL Credit Agreement, in each case as the same may be Modified from time to time in accordance with the terms hereof.

“ABL Credit Agreement” shall mean the Original ABL Credit Agreement and shall include any one or more other agreements, indentures or facilities extending the maturity of, consolidating, restructuring, refunding, restating, renewing, defeasing, repaying, exchanging, replacing or refinancing (including by adding any new or additional Subsidiaries or Affiliates of a Credit Party) all or any portion of the ABL Obligations, whether by the same or any other agent, trustee, lender, group of lenders, creditor or group of creditors and whether or not increasing the amount of any Indebtedness that may be incurred thereunder (provided that, subject to Section 7.20 hereof, after giving effect to any such increase, the sum of (i) the maximum aggregate principal amount of the loans thereunder *plus* (ii) the face amount of letters of credit issued and outstanding thereunder, *plus* (iii) the aggregate amount of ABL Obligations with respect to ABL Bank Products, calculated, in the case of Swap Contracts, on the applicable Swap Termination Value (as defined in the ABL Credit Agreement) shall not exceed the ABL Debt Cap (provided that, for the avoidance of doubt, ABL Obligations under ABL Cash Management Services shall not be included in the calculation of the ABL Debt Cap)). For clarity, the term “ABL Credit Agreement” shall include, without limitation, an agreement pursuant to which the ABL Agent or any other ABL Secured Party provides ABL DIP Financing to any of the Credit Parties.

“ABL Credit Parties” shall have the meaning assigned to that term in the recitals to this Agreement.

“ABL Debt Cap” means (a) the lesser of (i) \$122,500,000 (or such greater amount as is permitted under the Term Documents) *minus* the sum of all permanent reductions of commitments under the revolving credit facility provided for in the ABL Credit Agreement (other than any such reduction in connection with a Refinancing), or (ii) the sum of (A) 110% of the ABL Borrowing Base (as determined based upon the most recent Borrowing Base Certificate received by the ABL Agent prior to the funding of a loan or advance under the ABL Credit Agreement or the issuance, renewal or amendment of a Letter of Credit (it being understood and agreed that the use of cash collateral in an Insolvency Proceeding shall not constitute a funding of a loan or advance)), *plus* (B) any Inadvertent Overadvance Amounts, *minus* (C) the Minimum Availability Amount; *plus* (b) amounts incurred in connection with a Refinancing to pay accrued or capitalized interest, original issue discount and reasonable fees and expenses incurred in connection with such Refinancing; provided that, for the avoidance of doubt, ABL Obligations under ABL Cash Management Services shall not be included in the calculation of the ABL Debt Cap.

“ABL Deposit and Securities Accounts” means all Deposit Accounts, Securities Accounts, collection accounts and lockbox accounts (and all related lockboxes) of the Credit Parties (other than the Term Loan Priority Accounts).

“ABL DIP Financing” shall have the meaning set forth in Section 6.1(a).

“ABL Documents” shall mean the ABL Credit Agreement, any ABL Guaranty, any ABL Collateral Document, all agreements regarding Cash Management Services between any ABL Credit Party and any ABL Cash Management Provider, any ABL Bank Product Agreement between any ABL Credit Party and any ABL Bank Product Provider, and any other ancillary agreement as to which any ABL Secured Party is a party or a beneficiary and all other agreements, instruments, documents and certificates, now or hereafter executed by or on behalf of any ABL Credit Party or any of its respective Subsidiaries or Affiliates, and delivered to the ABL Agent or any other ABL Secured Party, in connection with any of the foregoing or the ABL Credit Agreement, in each case as the same may be Modified from time to time in accordance with the terms hereof.

“ABL Guarantors” shall mean the collective reference to (i) the Parent and each Subsidiary of the Parent (other than the ABL Borrowers) that is or becomes party to the ABL Guaranty, in each case, other than any such Person that has ceased to be a Guarantor under the ABL Guaranty as a result of a transaction not prohibited by the ABL Credit Agreement, and (ii) any other Person who becomes a guarantor under any ABL Guaranty. The term “ABL Guarantors” shall include all “Guarantors” under and as defined in the ABL Credit Agreement.

“ABL Guaranty” shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other guaranty made by an ABL Guarantor guaranteeing, inter alia, the payment and performance of any ABL Obligations.

“ABL Lenders” shall have the meaning assigned to that term in the introduction to this Agreement, as well as any Person designated as a “Lender” or similar term under the ABL Credit Agreement.

“ABL Obligations” shall mean any and all obligations of every nature of each ABL Credit Party from time to time owed to the ABL Secured Parties, or any of them, under, in connection with, or evidenced or secured by any ABL Document, including, without limitation, all “Obligations” or similar term as defined in the ABL Credit Agreement and whether for principal, interest, reimbursement of amounts drawn under letters of credit, payments for early termination of ABL Bank Product Agreements, fees, expenses, indemnification or otherwise, and all other amounts owing or due under the terms of any ABL Document (including interest, fees, expenses and indemnifications which, but for the filing of a petition in bankruptcy with respect to such ABL Credit Party, would have become due or accrued on any ABL Obligation, whether or not a claim is allowed against such ABL Credit Party for such interest, fees, expenses and indemnifications in the related bankruptcy proceeding), as Modified in whole or in part from time to time in accordance with the terms hereof. For clarity, the term “ABL Obligations” shall include, without limitation, all obligations on account of any ABL DIP Financing provided by the ABL Agent or any other ABL Secured Party to any of the Credit Parties.

“ABL Priority Collateral” shall mean all Collateral consisting of the following (including for the avoidance of doubt, any such assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws), would be ABL Priority Collateral):

(1) all Accounts (including, without limitation, all Credit Card Receivables (as defined in the ABL Credit Agreement), whether classified as Accounts, General Intangibles or otherwise under the Uniform Commercial Code), other than Accounts which constitute identifiable proceeds of Term Priority Collateral;

(2) cash, Money and cash equivalents (other than identifiable proceeds of Term Priority Collateral);

(3) all (x) Deposit Accounts (other than Term Loan Priority Accounts) and Money and all cash, checks, other negotiable instruments, funds and other evidences of payments held therein or credited thereto (other than Money, checks, other negotiable instruments, funds and other evidences of payments held therein or credited thereto which constitute identifiable proceeds of any Term Priority Collateral), (y) Securities Accounts (other than Term Loan Priority Accounts), Security Entitlements and Securities held in or credited to any such Securities Accounts (other than Equity Interests and other than investment property held in or credited to any such Securities Accounts which constitute identifiable proceeds of any Term Priority Collateral) and (z) Commodity Accounts (other than Term Loan Priority Accounts) and Commodity Contracts credited thereto, and, in each case, all cash, Money, cash equivalents, checks and other property held therein or credited thereto (other than Equity Interests and other than Money, checks, other negotiable instruments, funds and other evidences of payments held therein or credited thereto which constitute identifiable proceeds of any Term Priority Collateral); provided, however, that to the extent that identifiable proceeds of Term Priority Collateral are deposited in any such Deposit Accounts or Securities Accounts after the delivery of a Term Cash Proceeds Notice, such identifiable proceeds shall be treated as Term Priority Collateral;

(4) all Inventory;

(5) to the extent relating to, evidencing or governing any of the items referred to in the preceding clauses (1) through (4) constituting ABL Priority Collateral, all Documents, General Intangibles (including Payment Intangibles and all rights under contracts but excluding any Intellectual Property), Instruments (including Promissory Notes), Chattel Paper (including Tangible Chattel Paper and Electronic Chattel Paper), Commercial Tort Claims and indebtedness owing by, between or among Credit Parties and their Affiliates, whether or not represented by a note or agreement; provided that to the extent any of the foregoing also relates to Term Priority Collateral, only that portion related to the items referred to in the preceding clauses (1) through (4) shall be included in the ABL Priority Collateral (and only to such extent);

(6) to the extent relating to any of the items referred to in the preceding clauses (1) through (5) constituting ABL Priority Collateral, all Supporting Obligations and Letter-of-Credit Rights; provided that to the extent any of the foregoing also relates to Term Priority Collateral, only that portion related to the items referred to in the preceding clauses (1) through (5) shall be included in the ABL Priority Collateral (and only to such extent);

(7) all books and Records relating to the items referred to in the preceding clauses (1) through (6) constituting ABL Priority Collateral (including all books, databases, customer lists, engineer drawings, and Records, whether tangible or electronic, which contain any information relating to any of the items referred to in the preceding clauses (1) through (6) constituting ABL Priority Collateral but, in each case, excluding any Intellectual Property); and

(8) all collateral security and guarantees with respect to any of the foregoing and all cash, Money, cash equivalents, insurance proceeds, Instruments, Securities and Financial Assets received as proceeds of any of the foregoing, but, in any event, excluding the Term Priority Collateral and Term Priority Proceeds (such proceeds, "**ABL Priority Proceeds**").

"**ABL Recovery**" shall have the meaning set forth in Section 5.3(a).

"**ABL Secured Parties**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**ABL Security Agreement**" shall mean that certain Security Agreement dated as of May 28, 2010, by and among the ABL Credit Parties and the ABL Agent (for the benefit of the ABL Secured Parties), as Modified from time to time in accordance with the terms hereof, and shall also include any other security agreement made by an ABL Credit Party pursuant to which such ABL Credit Party shall have granted a Lien in favor of the ABL Agent to secure the payment and performance of any ABL Obligations.

"**ABL Standstill Period**" shall the period (a) commencing on the date of the Term Agent's receipt of written notice from the ABL Agent certifying that (x) an Event of Default under the ABL Credit Agreement has occurred and is continuing and (y) the ABL Agent intends to commence an Exercise of Secured Creditor Remedies against any of the Term Priority Collateral; and (b) ending on the date which is the earlier to occur of (x) the date upon which the Discharge of Term Obligations shall have occurred (or prior thereto upon obtaining the written consent of the Term Agent), and (y) one hundred and twenty (120) days thereafter.

"**Affiliate**" shall mean, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Agent(s)**" means individually the ABL Agent or the Term Agent and collectively means both the ABL Agent and the Term Agent.

"**Agreement**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Asset Sale Proceeds Pledged Account**" shall mean an account subject to the control of the Term Agent in which the applicable proceeds from any disposition of Term Priority Collateral is held pending reinvestment pursuant to the Term Credit Agreement. For clarity, the and all cash, checks, other negotiable instruments, funds and other evidences of payments held in

or credited to such Asset Sale Proceeds Pledged Account shall constitute Collateral, and more specifically, Term Priority Collateral.

“Bankruptcy Code” shall mean Title 11 of the United States Code, as now or hereafter in effect or any successor thereto.

“Borrowers” shall mean any of the ABL Borrowers or the Term Borrower.

“Business Day” shall mean 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 (or are in fact closed).

“Capitalized Leases” means all leases that have been or are required to be, in accordance with GAAP, recorded as capitalized leases; provided that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof accounted for as a liability in accordance with GAAP. Whether a lease constitutes a Capitalized Lease shall be determined in accordance with GAAP and policies in conformity with those used to prepare the financial statements of Holdings and its Subsidiaries for the fiscal year ended January 28, 2012.

“Capitalized Lease Obligations” of any Person shall mean the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. Whether a lease constitutes a Capital Lease Obligation shall be determined in accordance with GAAP and policies in conformity with those used to prepare the financial statements of Holdings and its Subsidiaries for the fiscal year ended January 28, 2012.

“Cash Management Services” means any agreement or arrangement to provide cash management services, including automated clearinghouse transfers, controlled disbursement accounts, treasury, depository, overdraft, credit card processing, credit or debit card, purchase card, electronic funds transfer and other cash management arrangements.

“Collateral” shall mean all Property now owned or hereafter acquired by any Borrower or any Guarantor in or upon which a Lien is granted or purported to be granted to any ABL Agent or any Term Agent under any of the ABL Collateral Documents or the Term Collateral Documents, together with all rents, issues, profits, products and Proceeds thereof.

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

“Control Collateral” shall mean any Collateral consisting of any Certificated Security (as defined in Section 8-102 of the Uniform Commercial Code), Investment Property, Deposit Account, Instruments and any other Collateral as to which a Lien may be perfected through possession or control by the secured party, or any agent therefor.

“Copyright Licenses” shall mean any written agreement, now or hereafter in effect, granting any right to any third party under any Copyright now or hereafter owned by any Credit Party or that such Credit Party otherwise has the right to license, or granting any right to any Credit Party under any Copyright now or hereafter owned by any third party, and all rights of such Credit Party under any such agreement.

“Copyrights” shall mean all of the following now owned or hereafter acquired by or assigned to any Credit Party: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, whether registered or unregistered and whether published or unpublished, (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office, and all: (i) rights and privileges arising under applicable law with respect to such Credit Party’s use of such copyrights, (ii) reissues, renewals and extensions thereof and amendments thereto, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

“Credit Documents” shall mean the ABL Documents and the Term Documents.

“Credit Parties” shall mean the ABL Credit Parties and the Term Credit Parties.

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

“Discharge of ABL Obligations” shall mean (a)(i) the payment in full in cash of all outstanding ABL Obligations (excluding (x) contingent indemnity obligations with respect to then unasserted claims, (y) LC Obligations (as defined below) (which are provided for in clause (ii) below), and (z) obligations with respect to ABL Bank Product Obligations, and ABL Cash Management Obligations (which are provided for in clause (iii) below)), (ii) with respect to amounts available to be drawn under outstanding letters of credit issued under the ABL Credit Agreement (or indemnities or other undertakings issued pursuant thereto in respect of outstanding letters of credit) (collectively, the **“LC Obligations”**), the cancellation of such letters of credit or the delivery or provision of cash collateral or backstop letters of credit in respect thereof in compliance with the terms of the ABL Credit Agreement (which shall not exceed an amount equal to 105% of the aggregate undrawn amount of such letters of credit issued in US Dollars and (iii) with respect to ABL Bank Product Obligations and ABL Cash Management Obligations (or indemnities or other undertakings issued pursuant thereto in respect of outstanding ABL Bank Product Obligations and ABL Cash Management Obligations) the termination thereof and payment in full in cash of all ABL Obligations (other than contingent indemnity obligations with respect to then unasserted claims) with respect thereto or the delivery or provision of cash collateral in respect thereof in compliance with the terms of the ABL Credit

Agreement, and (b) the termination or expiration of all commitments to extend credit under the ABL Documents.

“Discharge of Term Obligations” shall mean (i) the payment in full in cash of all outstanding Term Obligations (excluding (x) contingent indemnity obligations with respect to then unasserted claims and (y) obligations with respect to with respect to Term Hedging Agreements (which are provided for in clause (iii) below)), (ii) termination or expiration of all commitments to extend credit under the Term Documents and (iii) with respect to Term Hedging Agreements (or indemnities or other undertakings issued pursuant thereto in respect of outstanding Term Hedging Agreements) the termination thereof and payment in full in cash of all Term Obligations (other than contingent indemnity obligations with respect to then unasserted claims) with respect thereto or the delivery or provision of cash collateral in respect thereof in compliance with the terms of the Term Credit Agreement.

“Domain Names” shall mean all Internet domain names and associated URL addresses in or to which any Credit Party now or hereafter has any right, title or interest.

“Domestic Subsidiary” shall mean any Subsidiary that is organized under the laws of the United States, any state thereof or the District of Columbia (excluding, for the avoidance of doubt, any Subsidiary organized under the laws of Puerto Rico or any other territory).

“Enforcement Notice” shall mean a written notice delivered by either the ABL Agent or the Term Agent to the other stating that such Agent intends to commence an Exercise of Secured Creditor Remedies against any of the Collateral.

“Equity Interest” shall mean, with respect to any Person, all of the shares, interests, rights, participations or other equivalents (however designated) of capital stock of (or other ownership or profit interests or units in) such Person and all of the warrants, options or other rights for the purchase, acquisition or exchange from such Person of any of the foregoing (including through convertible securities).

“Event of Default” shall mean an “Event of Default” or similar term under and as defined in the ABL Credit Agreement or the Term Credit Agreement, as applicable.

“Excess ABL Obligations” means the sum of (a) the portion of the principal amount of the loans outstanding under the ABL Documents and the undrawn amount of all outstanding letters of credit issued under the ABL Documents that is in excess of the ABL Debt Cap, *plus* (b) the portion of interest and fees on account of such portion of the loans and letters of credit described in clause (a) of this definition.

“Excess Term Obligations” means the sum of (a) the portion of the principal amount of the loans outstanding under the Term Documents in excess of the Term Debt Cap, *plus* (b) the portion of interest and fees on account of such portion of the loans described in clause (a) of this definition.

“Exercise of Any Secured Creditor Remedies” or **“Exercise of Secured Creditor Remedies”** shall mean, except as otherwise provided in the final sentence of this definition:

(b) the taking by any Secured Party of any action to enforce or realize upon any Lien, including the institution of any foreclosure proceedings or the noticing of any public or private sale pursuant to Article 9 of the Uniform Commercial Code or other applicable law;

(c) the exercise by any Secured Party of any right or remedy provided to a secured creditor on account of a Lien under any of the Credit Documents, under applicable law, in an Insolvency Proceeding or otherwise, including the election to retain any of the Collateral in satisfaction of a Lien;

(d) the taking of any action by any Secured Party or the exercise of any right or remedy by any Secured Party in respect of the collection on, set off against, marshaling of, injunction respecting or foreclosure on the Collateral or the Proceeds thereof;

(e) the appointment on the application of a Secured Party, of a receiver, receiver and manager or interim receiver of all or part of the Collateral;

(f) the sale, lease, license or other disposition of all or any portion of the Collateral by private or public sale conducted by any Secured Party or any other means at the direction of any Secured Party permissible under applicable law;

(g) the exercise of any other right of a secured creditor under Part 6 of Article 9 of the Uniform Commercial Code or under provisions of similar effect under other applicable law; and

(h) the exercise by any Secured Party of any voting rights relating to any Equity Interest included in the Collateral.

For the avoidance of doubt, none of the following shall be deemed to constitute an Exercise of Secured Creditor Remedies: (i) the filing of a proof of claim by a Secured Party in any Insolvency Proceeding or the seeking of adequate protection in accordance with the provisions of Article VI hereof, (ii) the exercise of rights by the ABL Agent upon the occurrence of a Cash Dominion Event (as defined in the ABL Credit Agreement), including, without limitation, the notification of account debtors, depository institutions or any other Person to deliver proceeds of ABL Priority Collateral to the ABL Agent, (iii) the consent by the ABL Agent to a store closing sale, going out of business sale or other disposition by any Credit Party of any of the ABL Priority Collateral, (iv) the reduction of advance rates or sub-limits by the ABL Agent and the ABL Lenders, or (v) the imposition of Reserves (as defined in the ABL Credit Agreement) by the ABL Agent.

“Foreign Subsidiary” shall mean any direct or indirect Subsidiary of the Parent that is not a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles in the United States, as in effect from time to time.

“Governmental Authority” shall mean the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive,

legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank). For the avoidance of doubt “Governmental Authority” shall include Bureau of Alcohol, Tobacco and Firearms and any state agency, authority, instrumentality, regulatory body or other entity having a similar purview.

“**Guarantor**” shall mean any of the ABL Guarantors or Term Guarantors.

“**Inadvertent Overadvance Amounts**” shall mean the aggregate amount of all Overadvances resulting from any and all Inadvertent Overadvances.

“**Inadvertent Overadvances**” shall mean the funding of any loan or advance under the ABL Credit Agreement or the issuance, renewal or amendment of a Letter of Credit by the L/C Issuer which did not result in an Overadvance when made based upon the most recent Borrowing Base Certificate received by the ABL Agent prior to such funding (it being understood and agreed that the use of cash collateral in an Insolvency Proceeding shall not constitute a funding of a loan or advance) or issuance, renewal or amendment of a Letter of Credit but which has, on the relevant date of determination, become an Overadvance as the result of circumstances beyond the reasonable control of the ABL Agent or the other ABL Credit Parties (including as the result of the entry of an adverse order for use of cash collateral by the United States Bankruptcy Court as to which the ABL Agent, on behalf of the ABL Credit Parties, has contested in good faith), including (i) a decline in the value of the Collateral included in the ABL Borrowing Base, (ii) errors or fraud on a Borrowing Base Certificate, (iii) components of the ABL Borrowing Base on any date thereafter being deemed ineligible, (iv) the return of uncollected checks or other items of payment applied to the reduction of Loans (as defined in the ABL Credit Agreement) or other similar involuntary or unintentional actions, (v) the imposition of any Reserve or a reduction in advance rates after the funding of any Loan or the issuance, renewal or amendment of a Letter of Credit by the L/C Issuer or (vi) any other circumstance beyond the reasonable control of the ABL Agent or the other ABL Credit Parties.

“**Indebtedness**” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind;
- (b) all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or similar instruments;
- (c) all obligations of such Person upon which interest charges are customarily paid;
- (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person;
- (e) net obligations of such Person under any Swap Contract;

(f) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);

(g) all indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed or is limited in recourse;

(h) All obligations of such Person in respect of Capital Lease Obligations and Synthetic Lease Obligations;

(i) (i) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person (including, without limitation, Disqualified Stock, or any warrant, right or option to acquire such Equity Interest), valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and (ii) the liquidation value of all Disqualified Stock of such Person;

(j) the maximum amount of all direct or contingent obligations of such Person as an account party in respect of letters of credit (including standby and commercial);

(k) all obligations of such Person in respect of bankers' acceptances, bank guaranties, surety bonds and similar instruments; and

(l) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. Notwithstanding the foregoing, in no event will any Plan Redemption Payment be construed to be Indebtedness for purposes of this Agreement.

"Insolvency Proceeding" shall mean any of the following: (i) the filing by any Credit Party of a voluntary petition in bankruptcy under any provision of any Debtor Relief Law or a petition to take advantage of any receivership or insolvency laws, including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of such Credit Party, such Credit Party's debts or such Credit Party's assets or the appointment of a trustee, receiver, liquidator, custodian or similar official for such Credit Party or a material part of such Credit Party's property; (ii) the appointment of a receiver, liquidator, trustee, custodian or other similar official for such Credit Party or all or a material part of such Credit Party's assets; (iii) the filing of any petition against such Credit Party under any Debtor Relief Law or other receivership or insolvency law, including, without limitation, any petition seeking the dissolution, winding up, total or partial liquidation, reorganization, composition, arrangement, adjustment or readjustment or other relief of such Credit Party, such Credit Party's debts or such Credit Party's assets or the

appointment of a trustee, receiver, liquidator, custodian or similar official for such Credit Party or a material part of such Credit Party's property; or (iv) the general assignment by such Credit Party for the benefit of creditors or any other marshalling of the assets and liabilities of such Credit Party.

"Intellectual Property" shall mean all intellectual and similar property of every kind and nature now owned, licensed or hereafter acquired by any Credit Party that is subject to a security interest under any ABL Documents and any Term Documents, including inventions, designs, Patents, Copyrights, Licenses, Trademarks, Domain Names, trade secrets, confidential or proprietary technical and business information, know how, show how or other data or information, software, databases, all other proprietary information and all embodiments or fixations thereof and related documentation and registrations and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

"Intellectual Property Collateral" shall mean Collateral consisting of Intellectual Property.

"Lead Borrower" shall have the meaning assigned to that term in the introduction to this Agreement.

"Lenders" means, collectively, all of the ABL Lenders and the Term Lenders.

"License" shall mean any Patent License, Trademark License, Copyright License, or other license or sublicense agreement granting rights under Intellectual Property to which any Credit Party is a party.

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

"Lien Priority" shall mean with respect to any Lien of the ABL Secured Parties or the Term Secured Parties in the Collateral, the order of priority of such Lien as specified in Section 2.1.

"Minimum Availability Amount" shall mean that amount of Availability required to be maintained by the ABL Credit Parties pursuant to Section 7.15 (Availability) of the ABL Credit Agreement, as in effect on the date hereof.

"Modify" shall mean amend, restate, amend and restate, supplement, Refinance, replace, defease, exchange, renew, refund, repay, refinance, extend, consolidate, restructure, or otherwise modify. "Modification" and "Modified" have meanings correlative thereto.

“Net Cash Proceeds” means and includes all proceeds that constitute “Net Cash Proceeds” within the meaning of the ABL Credit Agreement or the Term Loan Agreement, as applicable (as in effect on the date hereof).

“Original ABL Credit Agreement” shall have the meaning assigned to such term in the recitals hereto.

“Original Term Credit Agreement” shall have the meaning assigned to such term in the recitals hereto.

“Overadvance” shall have the meaning assigned to such term in the ABL Credit Agreement.

“Parent” shall mean means Sportsman’s Warehouse Holdings, Inc.

“Patent License” shall mean any written agreement, now or hereafter in effect, granting to any third party any right to develop, commercialize, import, make, have made, offer for sale, use or sell any invention on which a Patent, now or hereafter owned by any Credit Party or that any Credit Party otherwise has the right to license, is in existence, or granting to any Credit Party any such right with respect to any invention on which a Patent, now or hereafter owned by any third party, is in existence, and all rights of any Credit Party under any such agreement.

“Patents” shall mean all of the following now owned or hereafter acquired by any Credit Party: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office or any similar offices in any other country, and (b) all (i) rights and privileges arising under applicable law with respect to such Credit Party’s use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and amendments thereto, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable respect to any of the foregoing, including damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

“Permitted Refinancing” shall mean, with respect to any Indebtedness under the Term Documents or the ABL Documents, the Modification of such Indebtedness in accordance with the requirements of Section 5.1(a) or 5.1(b), as the case may be.

“Person” shall mean any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Priority Collateral” shall mean the ABL Priority Collateral or the Term Priority Collateral, as applicable.

“Proceeds” shall mean (a) all “proceeds,” as defined in Article 9 of the Uniform Commercial Code, with respect to the Collateral, and (b) whatever is recoverable or recovered

when any Collateral is sold, exchanged, collected, or disposed of, whether voluntarily or involuntarily.

“**Property**” shall mean any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

“**Purchase Date**” shall have the meaning set forth in Section 3.8(a).

“**Purchase Notice**” shall have the meaning set forth in Section 3.8(a).

“**Purchase Option Event**” shall have the meaning set forth in Section 3.8(a).

“**Purchasing Creditors**” shall have the meaning set forth in Section 3.8(a).

“**Real Property**” shall mean any right, title or interest in and to real property, including any fee interest, leasehold interest, easement, or license and any other right to use or occupy real property.

“**Replacement Agent**” shall have the meaning set forth in Section 3.8(d).

“**Secured Parties**” shall mean the ABL Secured Parties and the Term Secured Parties.

“**Subsidiary**” or “**subsidiary**” of a Person shall mean (a) any corporation, partnership, joint venture, limited liability company or other business entity (excluding, for the avoidance of doubt, charitable foundations) of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person or (b) that is, at the time any determination is made, otherwise Controlled, by such Person or one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person.

“**Swap Contract**” means (a) 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 (b) 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, including any such obligations or liabilities thereunder.

“**Synthetic Lease**” shall mean, as to any Person, any lease (including leases that may be terminated by the lessee at any time) of any property (whether real, personal or mixed) (a) that is

accounted for as an operating lease under GAAP and (b) in respect of which the lessee retains or obtains ownership of the property so leased for U.S. federal income tax purposes, other than any such lease under which such Person is the lessor.

“**Synthetic Lease Obligations**” shall mean, as to any Person, an amount equal to the capitalized amount of the remaining lease payments under any Synthetic Lease that would appear on a balance sheet of such person in accordance with GAAP if such obligations were accounted for as Capitalized Lease Obligations.

“**Term Agent**” shall have the meaning assigned to that term in the introduction to this Agreement and shall include any successor thereto as well as any Person designated as the “Agent” (other than syndication agents, documentation agents, co-agents and other similar nominal titles), “Administrative Agent”, “Collateral Agent”, “Trustee”, “Collateral Trustee” or similar term under the Term Credit Agreement.

“**Term Borrower**” shall have the meaning assigned to that term in the recitals to this Agreement.

“**Term Cash Proceeds Notice**” shall mean a written notice delivered by the Term Agent to the ABL Agent (a) stating that an Event of Default has occurred and is continuing under any Term Document and specifying the relevant Event of Default and (b) stating that certain cash proceeds which may be deposited in an ABL Deposit and Securities Account constitute Term Priority Collateral, and reasonably identifying the amount of such proceeds and specifying the origin thereof.

“**Term Collateral Documents**” shall mean all “Security Documents” or similar term as defined in the Term Credit Agreement, and all other security agreements, mortgages, deeds of trust and other collateral documents executed and delivered in connection with the Term Credit Agreement, in each case as the same may be Modified from time to time in accordance with the terms hereof.

“**Term Credit Agreement**” shall mean the Original Term Credit Agreement and shall include any one or more other agreements, indentures or facilities extending the maturity of, consolidating, restructuring, refunding, restating, renewing, defeasing, repaying, exchanging, replacing or refinancing (including by adding any new or additional Subsidiaries or Affiliates of a Credit Party) all or any portion of the Term Obligations, whether by the same or any other agent, trustee, purchaser, lender, group of lenders or purchasers, creditor or group of creditors and whether or not increasing the amount of any Indebtedness that may be incurred thereunder (provided, that, subject to Section 7.20 hereof, after giving effect to any such increase, the aggregate outstanding principal amount of loans that may be incurred thereunder does not exceed the Term Debt Cap).

“**Term Credit Parties**” shall have the meaning assigned to that term in the recitals to this Agreement.

“**Term Debt Cap**” means (a) \$291,500,000 (or such greater amount, if any, as is permitted under the ABL Documents); *minus* (b) all principal payments of term loans made under the Term Credit Agreement (excluding any such payments made in connection with a

Refinancing); *plus* (c) amounts incurred in connection with a Refinancing to pay accrued or capitalized interest, original issue discount and reasonable fees and expenses incurred in connection with such Refinancing.

“**Term DIP Financing**” shall have the meaning set forth in Section 6.1(b).

“**Term Documents**” shall mean the Term Credit Agreement, any Term Guarantee and Collateral Agreement, any Term Collateral Document, any Term Hedging Agreements between any Term Credit Party and any Term Hedging Affiliate, any other ancillary agreement as to which any Term Secured Party is a party or a beneficiary and all other agreements, instruments, documents and certificates, now or hereafter executed by or on behalf of any Term Credit Party or any of its respective Subsidiaries or Affiliates, and delivered to the Term Agent or any other Term Secured Party, in connection with any of the foregoing or the Term Credit Agreement, in each case as the same may be Modified from time to time in accordance with the terms hereof.

“**Term Guarantors**” shall mean the collective reference to (i) the Parent and each Subsidiary (as defined in the Term Credit Agreement) of the Parent (other than the Term Borrower) that is or becomes party to the Term Guaranty, in each case, other than any such Person that has ceased to be a Guarantor under the Term Guaranty as a result of a transaction not prohibited by the Term Credit Agreement, and (ii) any other Person who becomes a guarantor under any Term Guaranty. The term “Term Guarantors” shall include all “Guarantors” under and as defined in the Term Credit Agreement.

“**Term Guarantee and Collateral Agreement**” shall have the meaning assigned to that term in the recitals to this Agreement and shall also include any other guaranty made by a Term Guarantor guaranteeing, inter alia, the payment and performance of any Term Obligations.

“**Term Hedge Bank**” shall have the meaning assigned to the term “Qualified Counterparty” in the Term Credit Agreement.

“**Term Hedging Affiliate**” shall mean any Term Hedge Bank that has entered into a Term Hedging Agreement with a Term Credit Party, with the obligations of such Term Credit Party thereunder being secured by one or more Term Collateral Documents, together with their respective successors, assigns and transferees (even if such Term Hedge Bank subsequently ceases to be an agent or lender, as applicable, under the Term Credit Agreement for any reason).

“**Term Hedging Agreement**” means any “Specified Hedge Agreement” as defined in the Term Credit Agreement.

“**Term Lenders**” shall have the meaning assigned to that term in the introduction to this Agreement, as well as any Person designated as a “Lender” or similar term under the Term Credit Agreement.

“**Term Loan Priority Accounts**” means the Asset Sale Proceeds Pledged Account and any Deposit Accounts, Securities Accounts or Commodity Accounts, in each case that are intended to solely contain Term Priority Collateral or identifiable proceeds of the Term Priority Collateral (it being understood that any property in such Deposit Accounts, Securities Accounts or Commodities Accounts which is not Term Priority Collateral or identifiable proceeds of Term

Priority Collateral shall not be Term Priority Collateral solely by virtue of being on deposit in any such Deposit Account, Securities Account or Commodity Account).

“**Term Obligations**” shall mean any and all obligations of every nature of each Term Credit Party from time to time owed to the Term Secured Parties or any of them, under, in connection with, or evidenced or secured by any Term Document, including, without limitation, all “Obligations” or similar term as defined in the Term Credit Agreement and whether for principal, interest, payments for early termination of Term Hedging Agreements, fees, expenses, indemnification or otherwise, and all other amounts owing or due under the terms of any Term Document (including interest, fees, expenses and indemnifications which, but for the filing of a petition in bankruptcy with respect to such Term Credit Party, would have become due or accrued on any Term Obligation, whether or not a claim is allowed against such Term Credit Party for such interest, fees, expenses and indemnifications in the related bankruptcy proceeding), as Modified in whole or in part from time to time in accordance with the terms hereof.

“**Term Priority Collateral**” shall mean all Collateral consisting of the following (including for the avoidance of doubt, any such assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws) would be Term Priority Collateral):

(1) all Equipment, Fixtures, Real Property, Intellectual Property, intercompany indebtedness between or among the Credit Parties or their Affiliates, except to the extent constituting ABL Priority Collateral, and Investment Property (other than any Investment Property identified as ABL Priority Collateral in clauses 3(y) and 8 of the definition of ABL Priority Collateral);

(2) except to the extent constituting ABL Priority Collateral, all Instruments, Commercial Tort Claims, Documents, Chattel Paper, General Intangibles (including, without limitation, Intellectual Property) and indebtedness owing by, between or among Credit Parties and their Affiliates, whether or not represented by a note or agreement;

(3) Term Loan Priority Accounts; provided, however, that to the extent that identifiable proceeds of ABL Priority Collateral are deposited in any such Term Loan Priority Accounts, such identifiable proceeds shall be treated as ABL Priority Collateral;

(4) all other personal property (whether tangible or intangible), other than the ABL Priority Collateral and ABL Priority Proceeds;

(5) to the extent relating to any of the items referred to in the preceding clauses (1) through (4) constituting Term Priority Collateral, all Supporting Obligations and Letter-of-Credit Rights; provided that to the extent any of the foregoing also relates to ABL Priority Collateral only that portion related to the items referred to in the preceding clauses (1) through (4) shall be included in the Term Priority Collateral (and only to such extent);

(6) all books and Records relating to the items referred to in the preceding clauses (1) through (5) constituting Term Priority Collateral (including all books, databases, customer lists, engineer drawings, and Records, whether tangible or electronic, which contain any information relating to any of the items referred to in the preceding clauses (1) through (5) constituting Term Priority Collateral); and

(7) all collateral security and guarantees with respect to the foregoing, and all cash, Money, insurance proceeds, Instruments, Securities and Financial Assets received as proceeds of any of the foregoing, but, in any event, excluding the ABL Priority Collateral and ABL Priority Proceeds (such proceeds, "**Term Priority Proceeds**").

"**Term Recovery**" shall have the meaning set forth in Section 5.3(b).

"**Term Secured Parties**" shall have the meaning assigned to that term in the introduction to this Agreement.

"**Term Standstill Period**" shall mean the period (a) commencing on the date of the ABL Agent's receipt of written notice from the Term Agent certifying that (x) an Event of Default under the Term Credit Agreement has occurred and is continuing and (y) the Term Agent intends to commence an Exercise of Secured Creditor Remedies against any of the ABL Priority Collateral; and (b) ending on the date which is the earlier to occur of (x) the date upon which the Discharge of ABL Obligations shall have occurred (or prior thereto upon obtaining the written consent of the ABL Agent), and (y) one hundred and twenty (120) days thereafter.

"**Third ABL Amendment**" shall have the meaning assigned to that term in the recitals to this Agreement.

"**Trademark License**" shall mean any written agreement, now or hereafter in effect, granting to any third party any right to use any Trademark now or hereafter owned by any Credit Party or that any Credit Party otherwise has the right to license, or granting to any Credit Party any right to use any Trademark now or hereafter owned by any third party, and all rights of any Credit Party under any such agreement (not including vendor or distribution agreements that allow incidental use of intellectual property rights in connection with the sale or distribution of such products or services).

"**Trademarks**" shall mean all of the following now owned or hereafter acquired by any Credit Party: (a) all trademarks, service marks, trade names, corporate names, company names, business names, fictitious business names, trade styles, trade dress, logos, other source or business identifiers, designs and general intangibles of like nature, the goodwill of the business symbolized thereby or associated therewith, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof, (b) any and all rights and privileges arising under applicable law with respect to such Credit Party's use of any trademarks, (c) all extensions and renewals thereof and amendments thereto, (d) all income, fees, royalties, damages and payments now and

hereafter due and/or payable with respect to any of the foregoing, including damages, claims and payments for past, present or future infringements thereof, (e) all rights corresponding thereto throughout the world and (f) all rights to sue for past, present and future infringements or dilution thereof or other injuries thereto.

“**Uniform Commercial Code**” shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection or the priority of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than New York, “Uniform Commercial Code” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non perfection or priority or availability of such remedy, as the case may be.

“**Use Period**” shall mean the period commencing on (a) the date on which the ABL Agent furnishes the Term Agent with an Enforcement Notice or, if sooner, (b) the earlier of (i) the date that the ABL Agent or an agent acting on its behalf (or an ABL Secured Party acting with the consent of the ABL Agent) shall have commenced an Exercise of Any Secured Creditor Remedies with respect to all or a material portion of the ABL Priority Collateral or (ii) the date that any ABL Credit Party shall have commenced (with the consent of the ABL Agent) the liquidation and sale of all or a material portion of the ABL Priority Collateral, and ending 120 days thereafter; provided that, if any stay or other order that prohibits any of the ABL Agent, the other ABL Secured Parties or any ABL Credit Party (with the consent of the ABL Agent), as applicable, from taking any of the actions described in the foregoing clauses (b)(i) or (b)(ii), as applicable, has been entered by a court of competent jurisdiction, such 120-day period shall be tolled during the pendency of any such stay or other order and the Use Period shall be so extended.

“**Wells Fargo**” shall have the meaning assigned to that term in the introduction to this Agreement.

Section 1.3 Rules of Construction. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural, the term “including” is not limiting and shall be deemed to be followed by the phrase “without limitation,” and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The word “will” shall be construed to have the same meaning and effect as the word “shall”; and the words “asset” and “property” shall be construed as having 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. The words “hereof,” “herein,” “hereby,” “hereunder,” and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Article, section, subsection, clause, schedule and exhibit references herein are to this Agreement unless otherwise specified. Any reference in this Agreement, unless otherwise provided, to any agreement, instrument, or document shall include all Modifications thereto and thereof, as applicable (subject to any restrictions on such Modifications set forth herein). Any reference herein to any Person shall be construed to include such Person’s successors and assigns. Any reference herein to the repayment in full of an obligation shall mean the payment in full in cash

ARTICLE 2
LIEN PRIORITY

Section 2.1 Priority of Liens.

(a) Notwithstanding (i) the date, time, method, manner, or order of grant, attachment or perfection (including any defect or deficiency or alleged defect or deficiency in any of the foregoing) of any Liens granted to the ABL Secured Parties in respect of all or any portion of the Collateral or of any Liens granted to the Term Secured Parties in respect of all or any portion of the Collateral and regardless of how any such Lien was acquired (whether by grant, statute, operation of law, subrogation or otherwise), (ii) the order or time of filing or recordation of any document or instrument for perfecting the Liens in favor of the ABL Agent or the Term Agent (or other ABL Secured Parties or other Term Secured Parties) in any Collateral, (iii) any provision of the Uniform Commercial Code, Debtor Relief Laws or any other applicable law, (iv) any provision of the ABL Documents or the Term Documents (in each case, other than this Agreement), (v) whether the ABL Agent or the Term Agent, in each case, either directly or through agents, holds possession of, or has control over, all or any part of the Collateral, (vi) the date on which the ABL Obligations or the Term Obligations are advanced or made available to the Credit Parties, (vii) the fact that any such Liens in favor of the ABL Agent or the ABL Lenders or the Term Agent or the Term Lenders securing any of the ABL Obligations or Term Obligations, respectively, are (x) subordinated to any Lien securing any obligation of any Credit Party other than the Term Obligations or the ABL Obligations, respectively, or (y) otherwise subordinated, voided, avoided, invalidated or lapsed (in each case, with respect to subordination, other than pursuant to this Agreement), (viii) the possession or control by any Agent or any Secured Party or any bailee of all or any part of any Collateral as of the date hereof or otherwise, or (ix) any other circumstance of any kind or nature whatsoever, the ABL Agent, on behalf of itself and the other ABL Secured Parties, and the Term Agent, on behalf of itself and the other Term Secured Parties, hereby agree that:

(1) any Lien in respect of all or any portion of the ABL Priority Collateral now or hereafter held by or on behalf of the Term Agent or any other Term Secured Party that secures all or any portion of the Term Obligations shall in all respects be junior and subordinate to all Liens granted to the ABL Agent and the other ABL Secured Parties in such ABL Priority Collateral to secure all or any portion of the ABL Obligations;

(2) any Lien in respect of all or any portion of the ABL Priority Collateral now or hereafter held by or on behalf of the ABL Agent or any other ABL Secured Party that secures all or any portion of the ABL Obligations shall in all respects be senior and prior to all Liens granted to the Term Agent or any other Term Secured Party in such ABL Priority Collateral to secure all or any portion of the Term Obligations;

(3) any Lien in respect of all or any portion of the Term Priority Collateral now or hereafter held by or on behalf of the ABL Agent or any other ABL Secured Party that secures all or any portion of the ABL Obligations shall in all respects be junior and subordinate to all Liens granted to the Term Agent and the other Term Secured Parties in such Term Priority Collateral to secure all or any portion of the Term Obligations; and

(4) any Lien in respect of all or any portion of the Term Priority Collateral now or hereafter held by or on behalf of the Term Agent or any other Term Secured Party that secures all or any portion of the Term Obligations shall in all respects be senior and prior to all Liens granted to the ABL Agent or any other ABL Secured Party in such Term Priority Collateral to secure all or any portion of the ABL Obligations.

(b) Notwithstanding any failure by any ABL Secured Party or Term Secured Party to perfect its security interests in the Collateral or any avoidance, invalidation, priming or subordination by any third party or court of competent jurisdiction of the security interests in the Collateral granted to the ABL Secured Parties or the Term Secured Parties, the priority and rights as between the ABL Secured Parties and the Term Secured Parties with respect to the Collateral shall be as set forth herein.

(c) The Term Agent, for and on behalf of itself and the other Term Secured Parties, acknowledges and agrees that, concurrently herewith, the ABL Agent, for the benefit of itself and the other ABL Secured Parties, has been, or may be, granted Liens upon all of the Collateral in which the Term Agent has been granted Liens and the Term Agent hereby consents thereto. The ABL Agent, for and on behalf of itself and the other ABL Secured Parties, acknowledges and agrees that, concurrently herewith, the Term Agent, for the benefit of itself and the other Term Secured Parties, has been, or may be, granted Liens upon all of the Collateral in which the ABL Agent has been granted Liens and the ABL Agent hereby consents thereto. The subordination of Liens by the Term Agent and the ABL Agent in favor of one another as set forth herein shall not be deemed to subordinate the Term Agent's Liens or the ABL Agent's Liens to the Liens of any other Person, nor shall the subordination provisions set forth herein be affected by the subordination of such Liens to any Lien of any other Person.

Section 2.2 Waiver of Right to Contest Liens.

(a) The Term Agent, for and on behalf of itself and the other Term Secured Parties, agrees that it and they shall not (and hereby waives any right to) take any action to contest or challenge (or assist or support any other Person in contesting or challenging), directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), (i) validity, priority, enforceability, or perfection of the ABL Obligations or the Liens of the ABL Agent and the other ABL Secured Parties in respect of the Collateral or the provisions of this Agreement, (ii) the validity or enforceability of any ABL Security Document (or any ABL Obligations thereunder) or (iii) the relative rights and duties of the holders of the ABL Obligations and the Term Obligations granted and/or established in this Agreement. The Term Agent, for itself and on behalf of the other Term Secured Parties, agrees that none of the Term Agent or the other Term Secured Parties will take any action that would interfere with any

Exercise of Secured Creditor Remedies undertaken by the ABL Agent or any other ABL Secured Party under the ABL Documents with respect to the ABL Priority Collateral. The Term Agent, for itself and on behalf of the other Term Secured Parties, hereby waives any and all rights it or the other Term Secured Parties may have as a junior lien creditor to contest, protest, object to, or interfere with the manner in which the ABL Agent or any ABL Lender seeks to enforce its Liens in any ABL Priority Collateral. The foregoing shall not be construed to prohibit the Term Agent from enforcing the provisions of this Agreement or otherwise acting in accordance with this Agreement.

(b) The ABL Agent, for and on behalf of itself and the other ABL Secured Parties, agrees that it and they shall not (and hereby waives any right to) take any action to contest or challenge (or assist or support any other Person in contesting or challenging), directly or indirectly, whether or not in any proceeding (including in any Insolvency Proceeding), (i) the validity, priority, enforceability, or perfection of the Term Obligations or the Liens of the Term Agent or the other Term Secured Parties in respect of the Collateral or the provisions of this Agreement, (ii) the validity or enforceability of any Term Security Document (or any Term Obligations thereunder) or (iii) the relative rights and duties of the holders of the Term Obligations and the ABL Obligations granted and/or established in this Agreement. Except to the extent expressly set forth in Section 3.6 of this Agreement, the ABL Agent, for itself and on behalf of the other ABL Secured Parties, agrees that none of the ABL Agent or the other ABL Secured Parties will take any action that would interfere with any Exercise of Secured Creditor Remedies undertaken by the Term Agent or any other Term Secured Party under the Term Documents with respect to the Term Priority Collateral. The ABL Agent, for itself and on behalf of the other ABL Secured Parties, hereby waives any and all rights it or the other ABL Secured Parties may have as a junior lien creditor to contest, protest, object to, or interfere with the manner in which the Term Agent or any other Term Secured Party seeks to enforce its Liens in any Term Priority Collateral. The foregoing shall not be construed to prohibit the ABL Agent from enforcing the provisions of this Agreement or otherwise acting in accordance with this Agreement.

Section 2.3 Remedies Standstill.

(a) The Term Agent, on behalf of itself and the other Term Secured Parties, agrees that, prior to the Discharge of ABL Obligations, and regardless of whether any Insolvency Proceeding has been commenced by or against any Credit Party, neither the Term Agent nor any other Term Secured Party will Exercise Any Secured Creditor Remedies with respect to any of the ABL Priority Collateral without the prior written consent of the ABL Agent, and will not, through the Exercise of Any Secured Creditor Remedies or otherwise in contravention of this Agreement, take, receive or accept any Proceeds of ABL Priority Collateral (it being understood and agreed that the temporary deposit of Proceeds of ABL Priority Collateral in a Deposit Account controlled by the Term Agent shall not constitute a breach of this Agreement so long as such Proceeds are promptly (but in no event later than five (5) Business Days after receipt) remitted to the ABL Agent); provided that, the Term Agent may Exercise Any Secured Creditor Remedies with respect to any of the ABL Priority Collateral without the prior written consent of the ABL Agent after the expiry of any applicable Term Standstill Period; provided, further, that notwithstanding anything in this Section 2.3(a) to the contrary, (A) in no event shall the Term Agent or any other Term Secured Party Exercise Any Secured Creditor Remedies with respect to

any of the ABL Priority Collateral if, prior to the expiry of any applicable Term Standstill Period (and notwithstanding the expiration thereof), either (1) the ABL Agent or an agent acting on its behalf (or any ABL Secured Party acting with the consent of the ABL Agent) shall have commenced and be diligently pursuing an Exercise Any Secured Creditor Remedies with respect to all or a material portion of the ABL Priority Collateral or (2) any ABL Credit Party shall have commenced (with the consent of the ABL Agent) the liquidation and sale of all or a material portion of the ABL Priority Collateral, and (B) the applicable Term Standstill Period shall be tolled for any period that the ABL Agent or other ABL Secured Parties (or the ABL Credit Parties with the consent of the ABL Agent) are stayed or otherwise prohibited by law or court order from taking any of the actions described in the foregoing clauses (A)(1) or (A)(2), as applicable, with respect to the ABL Priority Collateral. In all events, any Exercise of Secured Creditor Remedies with respect to any Collateral by the Term Agent or the other Term Secured Parties shall at all times be subject to the provisions of this Agreement.

(b) The ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that, prior to the Discharge of Term Obligations, and regardless of whether any Insolvency Proceeding has been commenced by or against any Credit Party, neither the ABL Agent nor any other ABL Secured Party will Exercise Any Secured Creditor Remedies with respect to any of the Term Priority Collateral without the prior written consent of the Term Agent, and will not through the Exercise of Any Secured Creditor Remedies or otherwise in contravention of this Agreement, take, receive or accept any Proceeds of Term Priority Collateral (it being understood and agreed that the temporary deposit of Proceeds of Term Priority Collateral in a Deposit Account controlled by the ABL Agent shall not constitute a breach of this Agreement so long as such Proceeds are promptly (but in no event later than five (5) Business Days after receipt) remitted to the Term Agent); provided that, the ABL Agent may Exercise Any Secured Creditor Remedies with respect to any of the Term Priority Collateral without the prior written consent of the Term Agent after the expiry of any applicable ABL Standstill Period; provided, further, that notwithstanding anything in this Section 2.3(b) to the contrary, (A) in no event shall the ABL Agent or any other ABL Secured Party Exercise Any Secured Creditor Remedies with respect to any of the Term Priority Collateral if, prior to the expiry of any applicable ABL Standstill Period (and notwithstanding the expiration thereof), either (1) the Term Agent or an agent acting on its behalf (or any Term Secured Party acting with the consent of the Term Agent) shall have commenced and be diligently pursuing an Exercise Any Secured Creditor Remedies with respect to all or a material portion of the Term Priority Collateral or (2) any Term Credit Party shall have commenced (with the consent of the Term Agent) the liquidation and sale of all or a material portion of the Term Priority Collateral, and (B) the applicable ABL Standstill Period shall be tolled for any period that the Term Agent or other Term Secured Parties (or the Term Credit Parties with the consent of the Term Agent) are stayed or otherwise prohibited by law or court order from taking any of the actions described in the foregoing clauses (A)(1) or (A)(2), as applicable, with respect to the Term Priority Collateral. In all events, any Exercise of Secured Creditor Remedies with respect to any Collateral by the ABL Agent or the other ABL Secured Parties shall at all times be subject to the provisions of this Agreement.

(c) Notwithstanding the provisions of Sections 2.3(a), 2.3(b) or any other provision of this Agreement, nothing contained herein shall be construed to prevent any Agent or any other Secured Party from (i) filing a claim or statement of interest with respect to the ABL

Obligations or Term Obligations owed to it in any Insolvency Proceeding commenced by or against any Credit Party, (ii) taking any action (not adverse to the priority status of the Liens of the other Agent or other Secured Parties on the Collateral in which such other Agent or other Secured Party has a priority Lien or the rights of the other Agent or any of the other Secured Parties to Exercise Any Secured Creditor Remedies in respect thereof) in order to create, perfect, preserve or protect (but not enforce) its Lien on any Collateral, (iii) filing any necessary or responsive pleadings in opposition to any motion, adversary proceeding or other pleading filed by any Person objecting to or otherwise seeking disallowance of the claim or Lien of such Agent or other Secured Party or (iv) voting on any plan of reorganization or filing any proof of claim in any Insolvency Proceeding of any Credit Party, in each case (i) through (iv) above to the extent not inconsistent with the express terms of this Agreement.

Section 2.4 Exercise of Rights.

(a) **No Other Restrictions.** Except as expressly set forth in this Agreement (including, without limitation, Section 2.3), each Term Secured Party and each ABL Secured Party shall have any and all rights and remedies it may have as a creditor under applicable law, including the right to the Exercise of Secured Creditor Remedies; provided, however, that the Exercise of Secured Creditor Remedies with respect to the Collateral shall be subject to the Lien Priority and to the provisions of this Agreement. The ABL Agent may enforce the provisions of the ABL Documents, the Term Agent may enforce the provisions of the Term Documents and each may Exercise Any Secured Creditor Remedies, all in such order and in such manner as each may undertake to determine in the exercise of its sole discretion, consistent with the terms of this Agreement, the applicable Credit Documents and mandatory provisions of applicable law; provided, however, that each of the ABL Agent and the Term Agent agrees to provide to the other (x) an Enforcement Notice prior to the commencement of an Exercise of Any Secured Creditor Remedies and (y) copies of any notices that it is required under applicable law to deliver to any Credit Party; provided further, however, that the ABL Agent's failure to provide the Enforcement Notice (other than in connection with Section 3.6) or any such copies to the Term Agent shall not impair any of the ABL Agent's rights hereunder or under any of the ABL Documents and the Term Agent's failure to provide the Enforcement Notice or any such copies to the ABL Agent shall not impair any of the Term Agent's rights hereunder or under any of the Term Documents. Each of the Term Agent, each other Term Secured Party, the ABL Agent and each other ABL Secured Party agrees that it will not institute any suit or other proceeding or assert in any suit, Insolvency Proceeding or other proceeding any claim, in the case of the Term Agent and each other Term Secured Party, against either the ABL Agent or any other ABL Secured Party, and in the case of the ABL Agent and each other ABL Secured Party, against either the Term Agent or any other Term Secured Party, seeking damages from or other relief by way of specific performance, instructions or otherwise, with respect to any action taken or omitted to be taken by such Person with respect to the Collateral which is consistent with the terms of this Agreement, and none of such Parties shall be liable for any such action taken or omitted to be taken.

(b) Release of Liens.

(i) In the event of (A) any private or public sale of all or any portion of the ABL Priority Collateral in connection with any Exercise of Secured Creditor Remedies by,

or with the consent of, the ABL Agent, or (B) in any circumstance not included in clause (A), any sale, transfer or other disposition of all or any portion of the ABL Priority Collateral, so long as such sale, transfer or other disposition is then permitted by the ABL Documents and the Term Documents (or is consented to by the requisite ABL Lenders and the requisite Term Lenders), the Term Agent agrees, on behalf of itself and the other Term Secured Parties that, so long as the Term Agent, for the benefit of the Term Secured Parties, shall retain a Lien on the proceeds of such sale, transfer or other disposition (to the extent that such proceeds are not applied to the ABL Obligations as provided in Section 4.1(b) hereof), such sale, transfer or other disposition will be free and clear of the Liens on such ABL Priority Collateral (but not the proceeds thereof) securing the Term Obligations, and the Term Agent's and the other Term Secured Parties' Liens with respect to the ABL Priority Collateral (but not the proceeds thereof) so sold, transferred, or disposed shall terminate and be automatically released without further action concurrently with, and to the same extent as, the release of the ABL Secured Parties' Liens on such ABL Priority Collateral. In furtherance of, and subject to, the foregoing, the Term Agent agrees that it will promptly execute any and all Lien releases or other documents reasonably requested by the ABL Agent in connection therewith. The Term Agent hereby appoints the ABL Agent and any officer or duly authorized person of the ABL Agent, 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 Term Agent and in the name of the Term Agent or in the ABL Agent's own name, from time to time, in the ABL Agent'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).

(ii) In the event of (A) any private or public sale of all or any portion of the Term Priority Collateral in connection with any Exercise of Secured Creditor Remedies by, or with the consent of, the Term Agent, or (B) in any circumstance not included in clause (A), any sale, transfer or other disposition of all or any portion of the Term Priority Collateral, so long as such sale, transfer or other disposition is then permitted by the ABL Documents and the Term Documents (or is consented to by the requisite ABL Lenders and the requisite Term Lenders), the ABL Agent agrees, on behalf of itself and the other ABL Secured Parties that, so long as the ABL Agent, for the benefit of the ABL Secured Parties, shall retain a Lien on the proceeds of such sale, transfer or other disposition (to the extent that such proceeds are not applied to the Term Obligations as provided in Section 4.1(c) hereof), such sale, transfer or disposition will be free and clear of the Liens on such Term Priority Collateral (but not the proceeds thereof) securing the ABL Obligations and the ABL Agent's and the other ABL Secured Parties' Liens with respect to the Term Priority Collateral (but not the proceeds thereof) so sold, transferred, or disposed shall terminate and be automatically released without further action concurrently with, and to the same extent as, the release of the Term Secured Parties' Liens on such Term Priority Collateral. In furtherance of, and subject to, the foregoing, the ABL Agent agrees that it will promptly execute any and all Lien releases or other documents reasonably requested by the Term Agent in connection therewith. The ABL Agent hereby appoints the Term Agent and any officer or duly authorized person of the Term Agent, 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 ABL Agent and in the name of the ABL Agent or in the Term Agent's own name, from time to time, in the Term Agent'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 2.5 No New Liens.

(a) It is the intention of the parties, that until the date upon which the Discharge of ABL Obligations shall have occurred, no Term Secured Party shall acquire or hold any consensual Lien on any assets securing any Term Obligation which assets are not also subject to the Lien of the ABL Agent under the ABL Documents. If any Term Secured Party shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Credit Party securing any Term Obligation which assets are not also subject to the Lien of the ABL Agent under the ABL Documents, then the Term Agent (or the other relevant Term Secured Party) shall, without the need for any further consent of any other Term Secured Party, the Term Borrower or any Term Guarantor and notwithstanding anything to the contrary in any other Term Document, be deemed to also hold and have held such Lien as agent or bailee for the benefit of the ABL Agent as security for the ABL Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the ABL Agent in writing of the existence of such Lien upon becoming aware thereof.

(b) It is the intention of the parties, that until the date upon which the Discharge of Term Obligations shall have occurred, no ABL Secured Party shall acquire or hold any consensual Lien on any assets securing any ABL Obligation which assets are not also subject to the Lien of the Term Agent under the Term Documents. If any ABL Secured Party shall (nonetheless and in breach hereof) acquire or hold any Lien on any assets of any Credit Party securing any ABL Obligation which assets are not also subject to the Lien of the Term Agent under the Term Documents, then the ABL Agent (or the other relevant ABL Secured Party) shall, without the need for any further consent of any other ABL Secured Party, any ABL Borrower or any ABL Guarantor and notwithstanding anything to the contrary in any other ABL Document be deemed to also hold and have held such Lien as agent or bailee for the benefit of the Term Agent as security for the Term Obligations (subject to the Lien Priority and other terms hereof) and shall promptly notify the Term Agent in writing of the existence of such Lien upon becoming aware thereof.

Section 2.6 Waiver of Marshalling.

(a) Until the Discharge of ABL Obligations, the Term Agent, on behalf of itself and the other Term Secured Parties, agrees not to assert and hereby waives, to the fullest extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the ABL Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

(b) Until the Discharge of Term Obligations, the ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees not to assert and hereby waives, to the fullest

extent permitted by law, any right to demand, request, plead or otherwise assert or otherwise claim the benefit of, any marshalling, appraisal, valuation or other similar right that may otherwise be available under applicable law with respect to the Term Priority Collateral or any other similar rights a junior secured creditor may have under applicable law.

ARTICLE 3
ACTIONS OF THE PARTIES

Section 3.1 Certain Actions Permitted. The Term Agent and the ABL Agent may make such demands or file such claims in respect of the Term Obligations or the ABL Obligations, as applicable, as are necessary to prevent the waiver or bar of such claims under applicable statutes of limitations or other statutes, court orders, or rules of procedure at any time. Nothing in this Agreement shall prohibit the receipt by the Term Agent or any other Term Secured Party of the required payments of interest, principal and other amounts owed in respect of the Term Obligations so long as such receipt is neither in contravention of Section 4.1(b) nor the direct or indirect result of the Exercise of any Secured Creditor Remedies by the Term Agent or any other Term Secured Party with respect to ABL Priority Collateral or enforcement in contravention of this Agreement of any Lien held by any of them. Nothing in this Agreement shall prohibit the receipt by the ABL Agent or any other ABL Secured Party of the required payments of interest, principal and other amounts owed in respect of the ABL Obligations so long as such receipt is neither in contravention of Section 4.1(c) nor the direct or indirect result of the Exercise of any Secured Creditor Remedies by the ABL Agent or any other ABL Secured Party with respect to Term Priority Collateral or enforcement in contravention of this Agreement of any Lien held by any of them. None of the Term Agent, the other Term Secured Parties, the ABL Agent or the other ABL Secured Parties shall take any other action in connection with the Term Obligations or the ABL Obligations in contravention of the terms of this Agreement (including if for any reason such party is deemed an unsecured or undersecured creditor with respect to such Term Obligations or ABL Obligations, as applicable).

Section 3.2 Agent for Perfection. Each of the ABL Agent, for and on behalf of itself and each other ABL Secured Party, and the Term Agent, for and on behalf of itself and each other Term Secured Party, as applicable, agrees to hold all Collateral in its possession, custody, or control (including as defined in Sections 9-104, 9-105, 9-106, 9-107 and 8-106 of the UCC) (or in the possession, custody, or control of agents or bailees for either) as gratuitous bailee for the other Agent solely for the purpose of perfecting the security interest granted to each such other Agent in such Collateral, subject to the terms and conditions of this Section 3.2. Solely with respect to any Control Collateral under its "control" (within the meaning of Section 9-104 of the UCC), each of the ABL Agent and the Term Agent, respectively, agrees to also hold control over such Control Collateral as gratuitous agent for the Term Secured Parties and the ABL Secured Parties, subject to the terms and conditions of this Section 3.2. None of the ABL Agent, the other ABL Secured Parties, the Term Agent, or the other Term Secured Parties, as applicable, shall have any obligation whatsoever to the others to assure that the Collateral is genuine or owned by any Borrower, any Guarantor, or any other Person or to preserve rights or benefits of any Person. The duties or responsibilities of the ABL Agent and the Term Agent under this Section 3.2 are and shall be limited solely to holding or maintaining control of the Control Collateral as gratuitous bailee for the other Agent for purposes of perfecting the Lien held by the Term Agent or the ABL Agent, as applicable. The ABL Agent is not and shall not be

deemed to be a fiduciary of any kind for the Term Secured Parties or any other Person. Without limiting the generality of the foregoing, except as expressly provided herein, the ABL Secured Parties shall not be obligated to see to the application of any Proceeds of the Term Priority Collateral deposited into any Deposit Account or be answerable in any way for the misapplication thereof. The Term Agent is not and shall not be deemed to be a fiduciary of any kind for the ABL Secured Parties, or any other Person. Without limiting the generality of the foregoing, except as expressly provided herein, the Term Secured Parties shall not be obligated to see to the application of any Proceeds of the ABL Priority Collateral deposited into any Deposit Account or be answerable in any way for the misapplication thereof. In addition, the Term Agent, on behalf of the Term Secured Parties, hereby agrees and acknowledges that other than with respect to ABL Priority Collateral that may be perfected through the filing of a UCC financing statement, the ABL Agent's Liens may be perfected on certain items of ABL Priority Collateral with respect to which the Term Agent's Liens would not be perfected but for the provisions of this Section 3.2, and the Term Agent, on behalf of the Term Secured Parties, hereby further agrees that the foregoing described in this sentence shall not be deemed a breach of this Agreement.

Section 3.3 Sharing of Information and Access. In the event that the ABL Agent shall, in the exercise of its rights under the ABL Collateral Documents or otherwise, receive possession or control of any books and records of any Term Credit Party which contain information identifying or pertaining to the Term Priority Collateral, the ABL Agent shall, upon request from the Term Agent and as promptly as practicable thereafter, either make available to the Term Agent such books and records for inspection and duplication or provide to the Term Agent copies thereof. In the event that the Term Agent shall, in the exercise of its rights under the Term Collateral Documents or otherwise, receive possession or control of any books and records of any ABL Credit Party which contain information identifying or pertaining to any of the ABL Priority Collateral, the Term Agent shall, upon request from the ABL Agent and as promptly as practicable thereafter, either make available to the ABL Agent such books and records for inspection and duplication or provide the ABL Agent copies thereof.

Section 3.4 Insurance. Proceeds of Collateral include insurance proceeds and, therefore, the Lien Priority shall govern the ultimate disposition of casualty insurance proceeds. The ABL Agent and the Term Agent shall each be named as additional insured or loss payee, as applicable, with respect to all insurance policies relating to the Collateral as set forth in the Term Credit Agreement or the ABL Credit Agreement, as applicable. The ABL Agent shall have the sole and exclusive right, as against the Term Agent, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of ABL Priority Collateral. The Term Agent shall have the sole and exclusive right, as against the ABL Agent, to adjust settlement of insurance claims in the event of any covered loss, theft or destruction of Term Priority Collateral. If any insurance claim includes both ABL Priority Collateral and Term Priority Collateral, neither Agent shall adjust or allocate such claim without the consent of the other Agent, and, if the Agents are unable after negotiating in good faith to agree on the settlement, adjustment or allocation of such claim as between losses pertaining to ABL Priority Collateral and Term Priority Collateral, either Agent may apply to a court of competent jurisdiction to make a determination as to the settlement of such claim, and the court's determination shall be binding upon the Agents. All proceeds of such insurance shall be remitted to the ABL Agent or the Term Agent, as the case may be, subject, in each case, to the terms of their respective Credit

Documents, and each of the Term Agent and ABL Agent shall cooperate (if necessary) in a reasonable manner in effecting the payment of insurance proceeds in accordance with Section 4.1 hereof.

Section 3.5 No Additional Rights For the Credit Parties Hereunder. Except as provided in Section 3.6, if any ABL Secured Party or Term Secured Party shall enforce its rights or remedies in violation of the terms of this Agreement, the Credit Parties shall not be entitled to use such violation as a defense to any action by any ABL Secured Party or Term Secured Party, nor to assert such violation as a counterclaim or basis for set off or recoupment against any ABL Secured Party or Term Secured Party.

Section 3.6 Inspection and Access Rights. (a) Without limiting any rights the ABL Agent or any other ABL Secured Party may otherwise have under applicable law or by agreement (including under any ABL Document), in the event of any liquidation of the ABL Priority Collateral (or any other Exercise of Any Secured Creditor Remedies by the ABL Agent in respect of ABL Priority Collateral) and whether or not the Term Agent or any other Term Secured Party has commenced and is continuing to Exercise Any Secured Creditor Remedies of the Term Agent with respect to the Term Priority Collateral or otherwise, the ABL Agent or any other Person (including any ABL Credit Party) acting with the consent, or on behalf, of the ABL Agent, shall, at the cost and expense of the Credit Parties, have the right (a) during the Use Period during normal business hours on any Business Day, to access ABL Priority Collateral that (i) is stored or located in or on, (ii) has become an accession with respect to (within the meaning of Section 9-335 of the Uniform Commercial Code), or (iii) has been commingled with (within the meaning of Section 9-336 of the Uniform Commercial Code) Term Priority Collateral, and (b) during the Use Period, shall have the irrevocable right to use the Term Priority Collateral (including, without limitation, Equipment, Fixtures, Intellectual Property, General Intangibles and Real Property) on a rent-free, royalty-free basis, each of the foregoing solely for the limited purposes of assembling, inspecting, copying or downloading information stored on, taking actions to perfect its Lien on, completing a production run of Inventory involving, taking possession of, moving, preparing and advertising for sale, selling (by public auction, private sale or a “store closing”, “going out of business” or similar sale, whether in bulk, in lots or to customers in the ordinary course of business or otherwise and which sale may include augmented Inventory of the same type sold in any ABL Credit Party’s business), storing or otherwise dealing with the ABL Priority Collateral, in each case without notice to, the involvement of or interference by any Term Secured Party or liability to any Term Secured Party; provided, however, that the expiration of the Use Period shall be without prejudice to the sale or other disposition of the ABL Priority Collateral in accordance with this Agreement, the ABL Documents and applicable law. In the event that any ABL Secured Party has commenced and is continuing the Exercise of Any Secured Creditor Remedies with respect to any ABL Priority Collateral or any other sale or liquidation of the ABL Priority Collateral has been commenced by an ABL Credit Party (with the consent of the ABL Agent), the Term Agent may not sell, assign or otherwise transfer the related Term Priority Collateral prior to the expiration of the Use Period, unless the purchaser, assignee or transferee thereof agrees in writing to be bound by provisions substantially similar to this Section 3.6.

(b) During the period of actual occupation, use and/or control by the ABL Agent and/or the other ABL Secured Parties (or their respective employees, agents, advisers and

representatives) of any Term Priority Collateral, the ABL Agent and the other ABL Secured Parties shall be obligated to repair at their expense any physical damage (but not any diminution in value) to such Term Priority Collateral resulting from such occupancy, use or control, and to leave such Term Priority Collateral in substantially the same condition as it was at the commencement of such occupancy, use or control, ordinary wear and tear excepted. Notwithstanding the foregoing, in no event shall the ABL Agent or the other ABL Secured Parties have any liability to the Term Agent and/or to the other Term Secured Parties pursuant to this Section 3.6 as a result of any condition (including any environmental condition, claim or liability) on or with respect to the Term Priority Collateral existing prior to the date of the exercise by the ABL Secured Parties (or the ABL Agent or the Credit Parties with the consent of the ABL Agent, as the case may be) of their rights under Section 3.6 and the ABL Secured Parties shall have no duty or liability to maintain the Term 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 the ABL Agent or the Credit Parties with the consent of the ABL Agent, as the case may be), or for any diminution in the value of the Term Priority Collateral that results from ordinary wear and tear resulting from the use of the Term Priority Collateral by the ABL Secured Parties in the manner and for the time periods specified under this Section 3.6. Without limiting the rights granted in this Section 3.6, the ABL Agent and the other ABL Secured Parties shall cooperate with the Term Agent and/or the other Term Secured Parties in connection with any efforts made by the Term Agent and/or the other Term Secured Parties to sell the Term Priority Collateral.

(c) Except as specifically provided in clauses (b) and (d) of this Section 3.6, the ABL Agent and the other ABL Secured Parties shall not be obligated to pay any amounts to the Term Agent or the other Term Secured Parties (or any person claiming by, through or under the Term Secured Parties, including any purchaser of the Term Priority Collateral) or to the ABL Credit Parties, for or in respect of the use by the ABL Agent and the other ABL Secured Parties of the Term Priority Collateral.

(d) The ABL Secured Parties shall (i) use the Term Priority Collateral in accordance with applicable law; (ii) obtain or cause to be obtained insurance (with such coverage and coverage amounts as are commercially reasonable in the circumstances) for damage to property and liability to persons, including such property and liability insurance for the benefit of the Term Secured Parties, but in all events only to the extent such insurance is not otherwise in effect; and (iii) reimburse the Term Secured Parties for any injury or damage to Persons or property (ordinary wear-and-tear excepted) caused by the acts or omissions of Persons under their control arising from the gross negligence or willful misconduct of any such Person; provided, however, that the ABL Secured Parties will not be liable for any diminution in the value of the Term Priority Collateral caused by the absence of the ABL Priority Collateral therefrom.

(e) The Term Agent and the other Term Secured Parties shall use commercially reasonable efforts to not hinder or obstruct the ABL Agent and the other ABL Secured Parties from exercising the rights described in Section 3.6(a) hereof.

(f) Subject to the terms hereof, the Term Agent may advertise and conduct public auctions or private sales of the Term Priority Collateral without notice (except as required

by applicable law or this Agreement) to any ABL Secured Party, the involvement of or interference by any ABL Secured Party or liability to any ABL Secured Party as long as, in the case of an actual sale, the respective purchaser assumes and agrees in writing to the obligations of the Term Agent and the other Term Secured Parties under this Section 3.6.

(g) In furtherance of the foregoing in this Section 3.6, the Term Agent, 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 (and, prior to the Term Agent's becoming a purchaser, assignee or transferee, as applicable, consents to the grant by any Credit Party) to the ABL Agent a nonexclusive, irrevocable, royalty-free, worldwide license to use, license or sublicense any and all Intellectual Property now owned or hereafter acquired by the Credit Parties (except to the extent such grant is prohibited by any rule of law, statute or regulation), included as part of the Term Priority 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 Secured Creditor Remedies; 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, warranty or obligation (except as provided herein) whatsoever. The Term Agent (i) acknowledges and consents to the grant to the ABL Agent by the Credit Parties of the license referred to in Section 6.1 of the ABL Security Agreement and (ii) agrees that its Liens in the Term Priority Collateral shall be subject in all respects to such license. Furthermore, the Term Agent agrees that, in connection with any Exercise of Secured Creditor Remedies conducted by the Term Agent in respect of Term Priority Collateral, (x) any notice required to be given by the Term Agent in connection with such Exercise of Secured Creditor Remedies shall contain an acknowledgement of the existence of such license and (y) the Term Agent shall provide written notice to any purchaser, assignee or transferee pursuant to an Exercise of Secured Creditor Remedies that the applicable assets are subject to such license.

Section 3.7 Tracing of and Priorities in Proceeds. The ABL Agent, for itself and on behalf of the other ABL Secured Parties, and the Term Agent, for itself and on behalf of the other Term Secured Parties, further agree that prior to an issuance of any notice of Exercise of Any Secured Creditor Remedies by such Secured Party (unless a bankruptcy or insolvency Event of Default then exists), any proceeds of Collateral, whether or not deposited under control agreements, which are used by any Credit Party to acquire other property which is Collateral shall not (solely as between the Agents and the Lenders) 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 the ABL Obligations occurs, the Term Agent and the other Term Secured Parties each consents to the application of cash or other proceeds of Collateral deposited under control agreements (other than (a) any cash held in Term Loan Priority Accounts, or (b) cash or other proceeds of Collateral that are known by a loan officer of the ABL Agent active on the ABL Borrowers' accounts to be, or identified in a Term Cash

Proceeds Notice (which shall be effective with respect to the cash proceeds identified therein) delivered to the ABL Agent as, proceeds of Term Loan Priority Collateral prior to the application of such amounts by the ABL Agent to the ABL Obligations) to the repayment of the ABL Obligations pursuant to the ABL Documents.

Section 3.8 Purchase Right

(a) If (i) after the occurrence of an Event of Default, the ABL Agent shall sell, lease, license or dispose of all or substantially all of the ABL Priority Collateral by private or public sale, (ii) an Insolvency Proceeding with respect to the Parent or the Lead Borrower shall have occurred or shall have been commenced, or (iii) the ABL Obligations under the ABL Credit Agreement shall have been accelerated (including as a result of any automatic acceleration) or shall remain unpaid following the Scheduled Termination Date (as defined in the ABL Credit Agreement), (each such event described in clauses (i) through (iii) herein above, a "**Purchase Option Event**"), the Term Secured Parties shall have the opportunity to purchase (at par and without premium) all (but not less than all (other than Excess ABL Obligations (unless such purchaser so elects in its sole discretion))) of the ABL Obligations pursuant to this Section 3.8; provided, that such option shall expire if the applicable Term Secured Parties fail to deliver a written notice (a "**Purchase Notice**") to the ABL Agent with a copy to the Lead Borrower within ten (10) Business Days following the first date the Term Agent obtains actual knowledge of the occurrence of the earliest Purchase Option Event, which Purchase Notice shall (A) be signed by the applicable Term Secured Parties committing to such purchase (the "**Purchasing Creditors**") and indicate the percentage of the ABL Obligations to be purchased by each Purchasing Creditor (which aggregate commitments must add up to 100% of the ABL Obligations (other than Excess ABL Obligations (unless such purchaser so elects in its sole discretion))) and (B) state that (1) it is a Purchase Notice delivered pursuant to Section 3.8 of this Agreement and (2) the offer contained therein is irrevocable. Upon receipt of such Purchase Notice by the ABL Agent, the Purchasing Creditors shall have from the date of delivery thereof to and including the date that is ten (10) Business Days after the Purchase Notice was received by the ABL Agent to purchase all (but not less than all (other than Excess ABL Obligations (unless such purchaser so elects in its sole discretion))) of the ABL Obligations pursuant to this Section 3.8 (the date of such purchase, the "**Purchase Date**").

(b) On the Purchase Date, the ABL Agent and the other ABL Secured Parties shall, subject to any required approval of any Governmental Authority and any limitation in the ABL Credit Agreement, in each case then in effect, if any, sell to the Purchasing Creditors all (but not less than all (other than Excess ABL Obligations (unless such purchaser so elects in its sole discretion))) of the ABL Obligations. On such Purchase Date, the Purchasing Creditors shall (i) pay to the ABL Agent, for the benefit of the ABL Secured Parties, as directed by the ABL Agent, in immediately available funds the full amount (at par and without premium) of all ABL Obligations (other than Excess ABL Obligations (unless such purchaser so elects in its sole discretion)) then outstanding, together with all accrued and unpaid interest and fees thereon, all in the amounts determined in accordance with the applicable ABL Documents, (ii) furnish such amount of cash collateral in immediately available funds as the ABL Agent determines is reasonably necessary to secure ABL Secured Parties in connection with any (x) indemnification obligations of the ABL Credit Parties under the ABL Documents (other than on account of contingent indemnification obligations for which no claim has then been asserted), (y) ABL Cash

Management Obligations and ABL Bank Product Obligations, or (z) issued and outstanding letters of credit issued under the ABL Credit Agreement but, with respect to this clause (z), not in any event in an amount greater than 105% of the aggregate undrawn amount of all such outstanding letters of credit issued in US Dollars (and in the case of clauses (x), (y) and (z) herein above, the ABL Agent will (1) on a quarterly basis upon the Term Agent's request, review such outstanding indemnification obligations, ABL Cash Management Obligations and ABL Bank Product Obligations and letters of credit remaining at such time (collectively, the "**Cash Collateralized Obligations**") and, to the extent that the ABL Agent determines that such Cash Collateralized Obligations have been reduced by an amount not less than 25% of the amount of cash collateral then in possession of the ABL Agent with respect to such Cash Collateralized Obligations, then the ABL Agent shall promptly pay over such excess amount to the Term Agent, and (2) at such time as the ABL Agent has determined that there are no longer any such Cash Collateralized Obligations and there are no unreimbursed amounts then owing in respect of such Cash Collateralized Obligations, then such remaining cash collateral then in possession of the ABL Agent with respect to such Cash Collateralized Obligations shall be promptly paid over to the Term Agent) and (iii) agree to reimburse the ABL Secured Parties for any loss, cost, damage or expense (A) resulting from the granting of provisional credit for any checks, wire or ACH transfers that are reversed or not final or other payments provisionally credited to the ABL Obligations under the ABL Credit Agreement and as to which the ABL Agent and other ABL Secured Parties have not yet received final payment as of the Purchase Date, or (B) for any indemnification obligations (other than on account of contingent indemnification obligations for which no claim has then been asserted), ABL Cash Management Obligations and ABL Bank Product Obligations or letters of credit, to the extent that the cash collateral delivered pursuant to clauses (x), (y) and (z), above, are insufficient to pay such ABL Obligations in full (other than to the extent resulting from the ABL Agent's or any other ABL Secured Party's gross negligence or willful misconduct, as determined in a final, non-appealable judgment from a court of competent jurisdiction). Such purchase price shall be remitted by wire transfer in immediately available funds to such bank account of the ABL Agent (for the benefit of the ABL Secured Parties) as the ABL Agent shall have specified in writing to the Term Agent; provided that the ABL Agent agrees to notify the applicable Term Secured Parties of all amounts to be paid or in respect of which cash collateral is to be provided within three (3) Business Days of receipt of any Purchase Notice. Interest and fees shall be calculated to but excluding the Purchase Date if the amounts so paid by the applicable Term Lenders to the bank account designated by the ABL Agent are received in such bank account prior to 1:00 p.m., New York time, and interest shall be calculated to and including such Purchase Date if the amounts so paid by the applicable Term Lenders to the bank account designated by the ABL Agent are received in such bank account after 1:00 p.m., New York time.

(c) Any purchase pursuant to the purchase option set forth in this Section 3.8 shall, except as provided below, be expressly made without representation or warranty of any kind by the ABL Agent or the other ABL Secured Parties as to the ABL Obligations, the collateral or otherwise, and without recourse to the ABL Agent and the other ABL Secured Parties as to the ABL Obligations, the collateral or otherwise, except that the ABL Agent and each of the other ABL Secured Parties, as to itself only, shall represent and warrant only (i) the principal amount of the ABL Obligations being sold by it, (ii) that such Person has not created any Lien on any ABL Obligations being sold by it, (iii) that such Person has the right to assign the ABL Obligations being assigned by it and its assignment agreement has been duly authorized

and delivered, and (iv) such other representations, if any, as are set forth in the Assignment and Assumption (as defined in, and in the form annexed to, the ABL Credit Agreement as in effect on the date hereof).

(d) Upon notice to the Credit Parties by the Term Agent that the purchase of ABL Obligations pursuant to this Section 3.8 has been consummated by delivery of the purchase price to the ABL Agent, the Credit Parties shall treat the applicable Term Lenders as holders of the ABL Obligations and the Term Agent shall be deemed appointed to act and shall serve in such capacity as the “agent” or “administrative agent” (or analogous capacity) (the “**Replacement Agent**”) under the ABL Documents, for all purposes hereunder and under each ABL Document (it being agreed that the ABL Agent shall have no obligation to act as such replacement “agent” or “administrative agent” (or analogous capacity)). In connection with any purchase of ABL Obligations pursuant to this Section 3.8, each ABL Lender and ABL Agent agrees to enter into and deliver to the applicable Term Lenders on the Purchase Date, as a condition to closing, an assignment agreement customarily used by the ABL Agent in connection with the ABL Credit Agreement and the ABL Agent and each other ABL Lender shall deliver all possessory collateral (if any), together with any necessary endorsements and other documents (including any applicable stock powers or bond powers), then in its possession or in the possession of its agent or bailee, or turn over control as to any pledged collateral, deposit accounts or securities accounts of which it or its agent or bailee then has control, as the case may be, to the Replacement Agent, and deliver the loan register and participant register, if applicable and all other records pertaining to the ABL Obligations to the Replacement Agent and otherwise take such actions as may be reasonably appropriate or reasonably requested by the Term Agent to effect an orderly transition to the Replacement Agent. Upon the consummation of the purchase of the ABL Obligations pursuant to this Section 3.8, the ABL Agent (and all other agents under the ABL Credit Agreement) shall resign as an “agent” or “administrative agent” for the ABL Secured Parties under the ABL Documents; provided that (a) the ABL Agent (and all other agents under the ABL Credit Agreement) shall be entitled to all of the rights and benefits of a former “agent” or “administrative agent” under the ABL Credit Agreement, and (b) the ABL Agent shall hold or maintain control of the Control Collateral then in its possession or control as gratuitous bailee for the Term Secured Parties solely for purposes of perfecting the Lien held by such Secured Parties until such time as such Control Collateral may be transferred to the Replacement Agent.

(e) Notwithstanding the foregoing purchase of the ABL Obligations by the Purchasing Creditors, the ABL Secured Parties shall retain those contingent indemnification obligations and other obligations under the ABL Documents which by their express terms would survive any repayment of the ABL Obligations pursuant to this Section 3.8.

Section 3.9 Payments Over.

(a) So long as the Discharge of Term Obligations has not occurred, (i) any payment received in contravention of this Agreement or (ii) any Term Priority Collateral or Proceeds thereof not constituting ABL Priority Collateral received by the ABL Agent or any other ABL Secured Party in connection with the exercise of any right or remedy (including set off) relating to the Term Priority Collateral (it being understood that the application of proceeds from any Deposit Account prior to the delivery of a Term Cash Proceeds Notice shall not be

deemed the exercise of rights or remedies relating to Term Priority Collateral), shall be segregated and held in trust and forthwith paid over to the Term Agent for the benefit of the Term Secured Parties in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The Term Agent is hereby authorized to make any such endorsements as agent for the ABL Agent or any such other ABL Secured Parties. This authorization is coupled with an interest and is irrevocable until such time as this Agreement is terminated in accordance with its terms.

(b) So long as the Discharge of ABL Obligations has not occurred, (i) any payment received in contravention of this Agreement or (ii) any ABL Priority Collateral or Proceeds thereof not constituting Term Priority Collateral received by the Term Agent or any other Term Secured Parties in connection with the exercise of any right or remedy (including set off) relating to the ABL Priority Collateral, shall be segregated and held in trust and forthwith paid over to the ABL Agent for the benefit of the ABL Secured Parties in the same form as received, with any necessary endorsements or as a court of competent jurisdiction may otherwise direct. The ABL Agent is hereby authorized to make any such endorsements as agent for the Term Agent or any such other Term Secured Parties. This authorization is coupled with an interest and is irrevocable until such time as this Agreement is terminated in accordance with its terms.

Section 3.10 Rights as Unsecured Creditors.

(a) The ABL Agent and the other ABL Secured Parties may exercise rights and remedies as unsecured creditors against any Borrower or any other Credit Party in accordance with the terms of the ABL Documents to which the ABL Agent or such other ABL Secured Parties are party and applicable law, so long as such exercise is not inconsistent with the terms of this Agreement and the ABL Agent and such other ABL Secured Parties would not be prohibited hereunder from exercising such rights and remedies as secured creditors. In the event the ABL Agent or any other ABL Secured Party becomes a judgment lien creditor in respect of Term Priority Collateral as a result of its enforcement of its rights as under the ABL Documents or otherwise, such judgment lien shall be subordinated to the Liens securing Term Obligations on the same basis as the other Liens on the Term Priority Collateral securing the ABL Obligations are subordinated to the Liens on the Term Priority Collateral securing the Term Obligations under this Agreement.

(b) The Term Agent and the Term Secured Parties may exercise rights and remedies as unsecured creditors against the Borrower or any other Credit Party in accordance with the terms of the Term Documents to which the Term Agent or such Term Secured Parties are party and applicable law, so long as such exercise is not inconsistent with the terms of this Agreement and the Term Agent and such other Term Secured Parties would not be prohibited hereunder from exercising such rights and remedies as secured creditors. In the event the Term Agent or any other Term Secured Party becomes a judgment lien creditor in respect of ABL Priority Collateral as a result of its enforcement of its rights under the Term Documents or otherwise, such judgment lien shall be subordinated to the Liens securing ABL Obligations on the same basis as the other Liens on the ABL Priority Collateral securing the Term Obligations are subordinated to the Liens on the ABL Priority Collateral securing the ABL Obligations under this Agreement.

ARTICLE 4
APPLICATION OF PROCEEDS

Section 4.1 Application of Proceeds.

(a) Revolving Nature of ABL Obligations. The Term Agent, for and on behalf of itself and the other Term Secured Parties, expressly acknowledges and agrees that (i) the ABL Credit Agreement includes a revolving commitment, that in the ordinary course of business the ABL Agent and the ABL Lenders will apply payments and make advances thereunder, and that no application of any Collateral or the release of any Lien by the ABL Agent upon any portion of the Collateral in connection with a permitted disposition by the ABL Credit Parties under the ABL Credit Agreement shall constitute the Exercise of Secured Creditor Remedies under this Agreement; (ii) the amount of the ABL Obligations that may be outstanding at any time or from time to time may be increased or reduced and subsequently reborrowed, and that the terms of the ABL Obligations may be Modified from time to time, and that the aggregate amount of the ABL Obligations may be increased, replaced or refinanced, in each event, without notice to or consent by the Term Secured Parties and without affecting the provisions hereof (so long as such Modification does not violate the terms hereof); and (iii) all Collateral received by the ABL Agent may be applied, reversed, reapplied, credited, or reborrowed, in whole or in part, to the ABL Obligations at any time; provided, however, that from and after the date on which the ABL Agent (or any other ABL Secured Party) or the Term Agent (or any other Term Secured Party) commences the Exercise of Any Secured Creditor Remedies, all amounts received by the ABL Agent or any ABL Lender shall be applied as specified in this Section 4.1. The Lien Priority shall not be altered or otherwise affected by any such Modification of either the ABL Obligations or the Term Obligations, or any portion thereof. Notwithstanding anything to the contrary contained in this Agreement, any Term Document or any ABL Document, each Credit Party and the Term Agent, for itself and on behalf of the other Term Secured Parties, agrees that (i) only Term Priority Collateral or proceeds of the Term Priority Collateral shall be deposited in the Term Loan Priority Accounts and (ii) the ABL Secured Parties are hereby permitted to treat all cash, cash equivalents, Money, collections and payments deposited in any ABL Deposit and Securities Account or otherwise received by any ABL Secured Parties as ABL Priority Collateral, and no such amounts credited to any such ABL Deposit and Securities Account or received by any ABL Secured Parties or applied to the ABL Obligations shall be subject to disgorgement or deemed to be held in trust for the benefit of the Term Secured Parties (and all claims of the Term Agent or any other Term Secured Party to such amounts are hereby waived); provided that with respect to any such amounts that are proceeds of Term Loan Priority Collateral credited to any ABL Deposit and Securities Account (i) which amounts are known by a loan officer of the ABL Agent active on the ABL Borrowers' accounts to be proceeds of Term Loan Priority Collateral prior to the application of such amounts by the ABL Agent to the ABL Obligations or (ii) which are identified in a Term Cash Proceeds Notice (which shall be effective with respect to the cash proceeds identified therein) delivered to the ABL Agent prior to the application of such amounts by the ABL Agent to the ABL Obligations, in each case, the ABL Agent shall turn over any misdirected proceeds of the Term Priority Collateral to the Term Agent.

(b) Application of Proceeds of ABL Priority Collateral. The ABL Agent and the Term Agent hereby agree that all ABL Priority Collateral, ABL Priority Proceeds and all

other Proceeds thereof, received by either of them in connection with any Exercise of Secured Creditor Remedies with respect to the ABL Priority Collateral, shall be applied,

first, to the payment of costs and expenses of the ABL Agent in connection with such Exercise of Secured Creditor Remedies;

second, to the payment or discharge of the ABL Obligations (other than any Excess ABL Obligations) in accordance with the ABL Documents;

third, to the payment of the Term Obligations (other than any Excess Term Obligations) in accordance with the Term Documents until the Discharge of Term Obligations (other than any Excess Term Obligations) shall have occurred;

fourth, to the payment of any outstanding Excess ABL Obligations in accordance with the ABL Documents until the Discharge of ABL Obligations shall have occurred;

fifth, to the payment of any outstanding Term ABL Obligations in accordance with the Term Documents until the Discharge of Term Obligations shall have occurred; and

sixth, the balance, if any, to the Credit Parties or as a court of competent jurisdiction may direct.

(c) Application of Proceeds of Term Priority Collateral. The ABL Agent and the Term Agent hereby agree that all Term Priority Collateral, Term Priority Proceeds and all other Proceeds thereof, received by either of them in connection with any Exercise of Secured Creditor Remedies with respect to the Term Priority Collateral, shall be applied,

first, to the payment of costs and expenses of the Term Agent in connection with such Exercise of Secured Creditor Remedies;

second, to the payment of the Term Obligations (other than any Excess Term Obligations) in accordance with the Term Documents;

third, to the payment of the ABL Obligations (other than any Excess ABL Obligations) in accordance with the ABL Documents until the Discharge of ABL Obligations (other than any Excess ABL Obligations) shall have occurred;

fourth, to the payment of any outstanding Excess Term Obligations in accordance with the Term Documents until the Discharge of Term Obligations shall have occurred;

fifth, to the payment of any outstanding Excess ABL Obligations in accordance with the ABL Documents until the Discharge of ABL Obligations shall have occurred; and

sixth, the balance, if any, to the Credit Parties or as a court of competent jurisdiction may direct.

(d) **Limited Obligation or Liability.** In exercising remedies, whether as a secured creditor or otherwise, the ABL Agent shall have no obligation or liability to the Term Agent or to any Term Secured Party, and the Term Agent shall have no obligation or liability to the ABL Agent or any other ABL Secured Party, regarding the adequacy of any Proceeds or for any action or omission, except solely for an action or omission that breaches the express obligations undertaken by each Agent under the terms of this Agreement. Notwithstanding anything to the contrary herein contained, neither Agent waives any claim that it may have against any other Secured Party on the grounds that any sale, transfer or other disposition by or on behalf of such Secured Party was not commercially reasonable in every respect as required by the Uniform Commercial Code.

(e) **Turnover of Collateral After Discharge.** Upon the Discharge of ABL Obligations and as long as the Discharge of Term Obligations has not occurred, the ABL Agent shall deliver to the Term Agent or shall execute such documents as the Term Agent may reasonably request to enable the Term Agent to have control over any Control Collateral still in the ABL Agent's possession, custody, or control in the same form as received with any necessary endorsements (in each case, subject to the reinstatement provisions of Section 5.3), or as a court of competent jurisdiction may otherwise direct. Upon the Discharge of Term Obligations and as long as the Discharge of ABL Obligations has not occurred, the Term Agent shall deliver to the ABL Agent or shall execute such documents as the ABL Agent may reasonably request to enable the ABL Agent to have control over any Control Collateral still in the Term Agent's possession, custody or control in the same form as received with any necessary endorsements (in each case, subject to the reinstatement provisions of Section 5.3), or as a court of competent jurisdiction may otherwise direct.

Section 4.2 Specific Performance. Each of the ABL Agent and the Term Agent is hereby authorized to demand specific performance of this Agreement, whether or not any Borrower or any Guarantor shall have complied with any of the provisions of any of the Credit Documents, at any time when the other Agent shall have failed to comply with any of the provisions of this Agreement applicable to it. Each of the ABL Agent, for and on behalf of itself and the other ABL Secured Parties, and the Term Agent, for and on behalf of itself and the other Term Secured Parties, hereby irrevocably waives any defense based on the adequacy of a remedy at law that might be asserted as a bar to such remedy of specific performance.

ARTICLE 5

INTERCREDITOR ACKNOWLEDGEMENTS AND WAIVERS

Section 5.1 Notice of Acceptance and Other Waivers.

(a) All ABL Obligations at any time made or incurred by any Borrower or any Guarantor shall be deemed to have been made or incurred in reliance upon this Agreement, and the Term Agent, on behalf of itself and the other Term Secured Parties, hereby waives notice of acceptance, or proof of reliance by the ABL Agent or any other ABL Secured Party of this Agreement, and of notice of the existence, increase, renewal, extension, accrual, creation, or non-

payment of all or any part of the ABL Obligations. All Term Obligations at any time made or incurred by any Borrower or any Guarantor shall be deemed to have been made or incurred in reliance upon this Agreement, and the ABL Agent, on behalf of itself and the other ABL Secured Parties, hereby waives notice of acceptance, or proof of reliance, by the Term Agent or any other Term Secured Party of this Agreement, and notice of the existence, increase, renewal, extension, accrual, creation, or non-payment of all or any part of the Term Obligations.

(b) None of the ABL Agent, any other ABL Secured Party, or any of their respective Affiliates, directors, officers, employees, or agents shall be liable for failure to demand, collect, or realize upon any of the Collateral or any Proceeds, or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral or Proceeds thereof or to take any other action whatsoever with regard to the Collateral or any part or Proceeds thereof, except as specifically provided in this Agreement. If the ABL Agent or any other ABL Secured Party honors (or fails to honor) a request by any ABL Borrower for an extension of credit pursuant to the ABL Credit Agreement or any of the other ABL Documents, whether the ABL Agent or any other ABL Secured Party has knowledge that the honoring of (or failure to honor) any such request would constitute a default under the terms of the Term Credit Agreement or any other Term Document or an act, condition, or event that, with the giving of notice or the passage of time, or both, would constitute such a default, or if the ABL Agent or any other ABL Secured Party otherwise should exercise any of its contractual rights or remedies under any ABL Documents (subject to the express terms and conditions hereof), neither the ABL Agent nor any other ABL Secured Party shall have any liability whatsoever to the Term Agent or any other Term Secured Party as a result of such action, omission, or exercise (so long as any such exercise does not breach the express terms and provisions of this Agreement). The ABL Agent and the other ABL Secured Parties shall be entitled to manage and supervise their loans and extensions of credit under the ABL Credit Agreement and any of the other ABL Documents as they may, in their sole discretion, deem appropriate, and may manage their loans and extensions of credit without regard to any rights or interests that the Term Agent or any of the other Term Secured Parties have in the Collateral, except as otherwise expressly set forth in this Agreement. The Term Agent, on behalf of itself and the other Term Secured Parties, agrees that neither the ABL Agent nor any other ABL Secured Party shall incur any liability as a result of a sale, lease, license, application, or other disposition of all or any portion of the Collateral or Proceeds thereof, pursuant to the ABL Documents, so long as such disposition is conducted in accordance with mandatory provisions of applicable law and does not breach the provisions of this Agreement.

(c) None of the Term Agent, any other Term Secured Party or any of their respective Affiliates, directors, officers, employees, or agents shall be liable for failure to demand, collect, or realize upon any of the Collateral or any Proceeds, or for any delay in doing so, or shall be under any obligation to sell or otherwise dispose of any Collateral or Proceeds thereof or to take any other action whatsoever with regard to the Collateral or any part or Proceeds thereof, except as specifically provided in this Agreement. If the Term Agent or any other Term Secured Party honors (or fails to honor) a request by the Term Borrower for an extension of credit pursuant to the Term Credit Agreement or any of the other Term Documents, whether the Term Agent or any other Term Secured Party has knowledge that the honoring of (or failure to honor) any such request would constitute a default under the terms of the ABL Credit Agreement or any other ABL Document or an act, condition, or event that, with the giving of

notice or the passage of time, or both, would constitute such a default, or if the Term Agent or any other Term Secured Party otherwise should exercise any of its contractual rights or remedies under the Term Documents (subject to the express terms and conditions hereof), neither the Term Agent nor any other Term Secured Party shall have any liability whatsoever to the ABL Agent or any other ABL Secured Party as a result of such action, omission, or exercise (so long as any such exercise does not breach the express terms and provisions of this Agreement). The Term Agent and the other Term Secured Parties shall be entitled to manage and supervise their loans and extensions of credit under the Term Documents as they may, in their sole discretion, deem appropriate, and may manage their loans and extensions of credit without regard to any rights or interests that the ABL Agent or any other ABL Secured Party has in the Collateral, except as otherwise expressly set forth in this Agreement. The ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that none of the Term Agent or the other Term Secured Parties shall incur any liability as a result of a sale, lease, license, application, or other disposition of the Collateral or any part or Proceeds thereof, pursuant to the Term Documents, so long as such disposition is conducted in accordance with, mandatory provisions of applicable law and does not breach the provisions of this Agreement.

Section 5.2 Modifications to ABL Documents and Term Documents.

(a) The Term Agent, on behalf of itself and the other Term Secured Parties, hereby agrees that, without affecting the obligations of the Term Agent and the other Term Secured Parties hereunder, the ABL Agent and the other ABL Secured Parties may, at any time and from time to time, in their sole discretion without the consent of or notice to the Term Agent or any other Term Secured Party, and without incurring any liability to the Term Agent or any other Term Secured Party or impairing or releasing the subordination of Lien Priority provided for herein, Modify any of the ABL Documents in any manner whatsoever (other than in a manner which would contravene the provisions of this Agreement), including, without limitation, to:

(i) change the manner, place, time, or terms of payment or renew, extend, alter or increase, all or any of the ABL Obligations or otherwise Modify in any manner, or grant any waiver or release with respect to, all or any part of the ABL Obligations or any of the ABL Documents;

(ii) subject to Section 2.5, retain or obtain a Lien on any Property of any Person to secure any of the ABL Obligations, and in connection therewith to enter into any additional ABL Documents;

(iii) amend, or grant any waiver, compromise, or release with respect to, or consent to any departure from, any guaranty or other obligations of any Person obligated in any manner under or in respect of the ABL Obligations;

(iv) release its Lien on any Collateral or other Property;

(v) exercise or refrain from exercising any rights against any Borrower, any Guarantor, or any other Person;

(vi) subject to Section 2.5, retain or obtain the primary or secondary obligation of any other Person with respect to any of the ABL Obligations; and

(vii) otherwise manage and supervise the ABL Obligations as the ABL Agent shall deem appropriate;

provided that, without limiting any of the provisions of the ABL Credit Agreement (including, without limitation, Section 7.12 thereof), and subject to Section 7.20 hereof, no such Modification may either (i) increase the maximum aggregate principal amount of the sum of (x) loans thereunder *plus* (y) the face amount of letters of credit issued and outstanding under the ABL Documents *plus* (z) the aggregate amount of ABL Obligations with respect to ABL Bank Products, calculated, in the case of Swap Contracts, on the applicable Swap Termination Value (as defined in the ABL Credit Agreement), to an amount in excess of the ABL Debt Cap (provided that, for the avoidance of doubt, ABL Obligations under ABL Cash Management Services shall not be included in the calculation of the ABL Debt Cap), or (ii) modify the mandatory prepayment provisions contained in the ABL Documents from those in effect on the date hereof to the extent such Modifications would require application to the ABL Obligations of Net Cash Proceeds of Term Priority Collateral required to be applied to the Term Obligations pursuant to the Term Documents as in effect on the date hereof.

(b) The ABL Agent, on behalf of itself and the other ABL Secured Parties, hereby agrees that, without affecting the obligations of the ABL Agent and the other ABL Secured Parties hereunder, the Term Agent and the other Term Secured Parties may, at any time and from time to time, in their sole discretion without the consent of or notice to the ABL Agent or any other ABL Secured Party, and without incurring any liability to the ABL Agent or any other ABL Secured Party or impairing or releasing the subordination of Lien Priority provided for herein, Modify any of the Term Documents in any manner whatsoever (other than in a manner which would contravene the provisions of this Agreement), including, without limitation, to:

(i) change the manner, place, time, or terms of payment or renew, extend, alter or increase, all or any of the Term Obligations or otherwise Modify in any manner, or grant any waiver or release with respect to, all or any part of the Term Obligations or any of the Term Documents;

(ii) subject to Section 2.5, retain or obtain a Lien on any Property of any Person to secure any of the Term Obligations, and in connection therewith to enter into any additional Term Documents;

(iii) amend, or grant any waiver, compromise, or release with respect to, or consent to any departure from, any guaranty or other obligations of any Person obligated in any manner under or in respect of the Term Obligations;

(iv) release its Lien on any Collateral or other Property;

(v) exercise or refrain from exercising any rights against any Borrower, any Guarantor, or any other Person;

(vi) subject to Section 2.5, retain or obtain the primary or secondary obligation of any other Person with respect to any of the Term Obligations; and

(vii) otherwise manage and supervise the Term Obligations as the Term Agent shall deem appropriate;

provided that, subject to Section 7.20 hereof, no such Modification may either (i) increase the maximum aggregate principal of the loans or notes thereunder plus to an amount in excess of the Term Debt Cap (provided that, for the avoidance of doubt, Term Obligations under Term Hedging Agreements shall not be included in the calculation of the Term Debt Cap), or (ii) modify the mandatory prepayment provisions contained in the Term Documents from those in effect on the date hereof to the extent such Modification would require application to the Term Obligations of Net Cash Proceeds of ABL Priority Collateral required to be applied to the ABL Obligations pursuant to the ABL Documents as in effect on the date hereof.

(c) Notwithstanding anything to the contrary herein, (i) if substantially concurrently with (or immediately after) the Discharge of ABL Obligations, the ABL Borrowers or any other ABL Credit Parties enter into any Permitted Refinancing of any ABL Obligations, then such Discharge of ABL Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under the Permitted Refinancing shall automatically be treated as ABL Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "ABL Credit Agreement" shall be deemed appropriately modified to refer to such Permitted Refinancing and the administrative agent and collateral agent under such ABL Documents shall be the ABL Agent for all purposes hereof and the secured parties under such ABL Documents shall automatically be treated as ABL Secured Parties for all purposes of this Agreement, and (ii) if substantially concurrently with (or immediately after) the Discharge of Term Obligations, the Term Borrower or any other Term Credit Parties enter into any Permitted Refinancing of any Term Obligations, then such Discharge of Term Obligations shall automatically be deemed not to have occurred for all purposes of this Agreement, and the obligations under the Permitted Refinancing shall automatically be treated as Term Obligations for all purposes of this Agreement, including for purposes of the Lien priorities and rights in respect of Collateral set forth herein, the term "Term Credit Agreement" shall be deemed appropriately modified to refer to such Permitted Refinancing and the security agent under such Term Documents shall be the Term Agent for all purposes hereof and the secured parties under such Term Documents shall automatically be treated as Term Secured Parties for all purposes of this Agreement; provided that, in any case, any Permitted Refinancing shall not require the consent of the ABL Agent, the other ABL Secured Parties, the Term Agent or the other Term Secured Parties, as the case may be, or affect the Lien Priorities provided for in this Agreement, provided, further, that the holders of any class or series of Indebtedness in respect of such Permitted Refinancing (or an authorized agent or trustee on their behalf), to the extent such Indebtedness is secured, bind themselves in writing to the terms of this Agreement pursuant to such documents or agreements (including amendments or supplements to this Agreement) as the ABL Agent or the Term Agent, as the case may be, shall reasonably request and in form and substance reasonably acceptable to the ABL Agent or the Term Agent, as the case may be, and any such Modification shall be in accordance with any applicable provisions of both the ABL Documents and the Term Documents (to the extent such documents survive such Permitted Refinancing).

Section 5.3 Reinstatement and Continuation of Agreement.

(a) If the ABL Agent or any other ABL Secured Party is required in any Insolvency Proceeding or otherwise to turn over or otherwise pay to the estate of any Borrower, any Guarantor, or any other Person any payment made in satisfaction of all or any portion of the ABL Obligations (an “**ABL Recovery**”), then the ABL Obligations shall be reinstated to the extent of such ABL Recovery. If this Agreement shall have been terminated prior to such ABL Recovery and the Discharge of Term Loan Obligations or a Term Recovery (defined below) has not occurred, this Agreement shall be reinstated in full force and effect in the event of such ABL Recovery, and such prior termination shall not diminish, release, discharge, impair, or otherwise affect the obligations of the Agents from such date of reinstatement. All rights, interests, agreements, and obligations of the ABL Agent, the Term Agent, the other ABL Secured Parties, and the other Term Secured Parties under this Agreement shall remain in full force and effect and shall continue irrespective of the commencement of, or any discharge, confirmation, conversion, or dismissal of, any Insolvency Proceeding by or against any Borrower or any Guarantor or any other circumstance which otherwise might constitute a defense available to, or a discharge of any Borrower or any Guarantor in respect of the ABL Obligations or the Term Obligations. No priority or right of the ABL Agent or any other ABL Secured Party shall at any time be prejudiced or impaired in any way by any act or failure to act on the part of any Borrower or any Guarantor or by the noncompliance by any Person with the terms, provisions, or covenants of any of the ABL Documents, regardless of any knowledge thereof which the ABL Agent or any other ABL Secured Party may have.

(b) If the Term Agent or any other Term Secured Party is required in any Insolvency Proceeding or otherwise to turn over or otherwise pay to the estate of any Borrower, any Guarantor, or any other Person any payment made in satisfaction of all or any portion of the Term Obligations (a “**Term Recovery**”), then the Term Obligations shall be reinstated to the extent of such Term Recovery. If this Agreement shall have been terminated prior to such Term Recovery and the Discharge of ABL Obligations or an ABL Recovery has not occurred, this Agreement shall be reinstated in full force and effect in the event of such Term Recovery, and such prior termination shall not diminish, release, discharge, impair, or otherwise affect the obligations of the Agents from such date of reinstatement. All rights, interests, agreements, and obligations of the ABL Agent, the Term Agent, the other ABL Secured Parties, and the other Term Secured Parties under this Agreement shall remain in full force and effect and shall continue irrespective of the commencement of, or any discharge, confirmation, conversion, or dismissal of, any Insolvency Proceeding by or against any Borrower or any Guarantor or any other circumstance which otherwise might constitute a defense available to, or a discharge of any Borrower or any Guarantor in respect of the ABL Obligations or the Term Obligations. No priority or right of the Term Agent or any other Term Secured Party shall at any time be prejudiced or impaired in any way by any act or failure to act on the part of any Borrower or any Guarantor or by the noncompliance by any Person with the terms, provisions, or covenants of any of the Term Documents, regardless of any knowledge thereof which the Term Agent or any other Term Secured Party may have.

ARTICLE 6

INSOLVENCY PROCEEDINGS

Section 6.1 **DIP Financing.**

(a) If any Borrower or any Guarantor shall be subject to any Insolvency Proceeding at any time prior to the Discharge of ABL Obligations, and if the ABL Agent or the other ABL Secured Parties shall seek to provide any Borrower or any Guarantor with, or consent to a third party providing, any financing under Section 364 of the Bankruptcy Code or consent to any order for the use of cash collateral constituting ABL Priority Collateral under Section 363 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) (each, an “**ABL DIP Financing**”), with such ABL DIP Financing to be secured by all or any portion of the Collateral (including assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws) would be Collateral), then the Term Agent, on behalf of itself and the other Term Secured Parties, agrees that it will raise no objection and will not support any objection to such ABL DIP Financing or use of cash collateral or to the Liens securing the same on the grounds of a failure to provide “adequate protection” for the Liens of the Term Agent securing the Term Obligations or on any other grounds (and will not request any adequate protection with respect to its Lien on the ABL Priority Collateral solely as a result of such ABL DIP Financing or use of cash collateral that is ABL Priority Collateral and will not at any time prior to the Discharge of ABL Obligations (and regardless of whether the ABL Agent and the other ABL Secured Parties have proposed or supported any ABL DIP Financing), propose any ABL DIP Financing), so long as (i) the Term Agent retains its Lien on the Collateral to secure the Term Obligations (in each case, including Proceeds thereof arising after the commencement of the case under any Debtor Relief Laws) and, as to the Term Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the case under the subject Debtor Relief Laws and any Lien on the Term Priority Collateral securing such ABL DIP Financing is junior and subordinate to the Lien of the Term Agent on the Term Priority Collateral in the same manner that the Lien on Term Priority Collateral in favor of the ABL Secured Parties is subordinated hereunder to the Lien of the Term Secured Parties, (ii) all Liens on ABL Priority Collateral securing any such ABL DIP Financing shall be senior to or on a parity with the Liens of the ABL Agent and the other ABL Secured Parties securing the ABL Obligations on ABL Priority Collateral, (iii) the foregoing provisions of this Section 6.1(a) shall not prevent the Term Agent and the other Term Secured Parties from objecting to any provision in any ABL DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws, (iv) to the extent that the ABL Secured Parties are granted adequate protection in the form of a Lien and/or a superpriority administrative claim, the Term Secured Parties are permitted to seek (without objection from the ABL Secured Parties) a Lien on Collateral arising after the commencement of the Insolvency Proceeding and/or a superpriority administrative claim, as applicable (so long as, with respect to ABL Priority Collateral, such Lien is junior to the Liens securing such ABL DIP Financing and the ABL Obligations and such superpriority administrative claim is junior to the superpriority administrative claim granted to the ABL Agent), and (v) subject to Section 7.20 hereof, the sum of (i) the maximum aggregate principal amount of loans under such ABL DIP Financing and the other ABL Documents *plus* (ii) the face amount of letters of credit issued and outstanding under such ABL DIP Financing and the other ABL Documents *plus* (iii) the aggregate amount of ABL Obligations with respect to ABL Bank Products, calculated, in the case of Swap Contracts, on the applicable Swap Termination Value (as defined in the ABL Credit Agreement), does not exceed the ABL Debt Cap (provided that, for the avoidance of

doubt, ABL Obligations under ABL Cash Management Services shall not be included in the calculation of the ABL Debt Cap); provided that the Term Agent, on behalf of itself and the other Term Secured Parties, agrees that it will raise no objection and will not support any objection to any ABL DIP Financing or use of cash collateral or to the Liens securing the same on the grounds of a failure to grant to the Term Secured Parties a Lien on Collateral arising after the commencement of the Insolvency Proceeding and/or a superpriority administrative claim.

(b) If any Borrower or any Guarantor shall be subject to any Insolvency Proceeding at any time prior to the Discharge of Term Obligations, and if the Term Agent or the other Term Secured Parties shall seek to provide any Borrower or any Guarantor with, or consent to a third party providing, any financing under Section 364 of the Bankruptcy Code or consent to any order for the use of cash collateral constituting Term Priority Collateral under Section 363 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) (each, a "**Term DIP Financing**"), with such Term DIP Financing to be secured by all or any portion of the Collateral (including assets that, but for the application of Section 552 of the Bankruptcy Code (or any similar provision of any foreign Debtor Relief Laws) would be Collateral), then the ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that it will raise no objection and will not support any objection to such Term DIP Financing or use of cash collateral or to the Liens securing the same on the grounds of a failure to provide "adequate protection" for the Liens of the ABL Agent securing the ABL Obligations or on any other grounds (and will not request any adequate protection with respect to its Lien on the Term Priority Collateral solely as a result of such Term DIP Financing or use of cash collateral that is Term Priority Collateral and will not at any time prior to the Discharge of Term Obligations (and regardless of whether the Term Agent and the other Term Secured Parties have proposed or supported any Term DIP Financing), propose any Term DIP Financing), so long as (i) the ABL Agent retains its Lien on the Collateral to secure the ABL Obligations (in each case, including Proceeds thereof arising after the commencement of the case under any Debtor Relief Laws) and, as to the ABL Priority Collateral only, such Lien has the same priority as existed prior to the commencement of the case under the subject Debtor Relief Laws and any Lien on the ABL Priority Collateral securing such Term DIP Financing is junior and subordinate to the Lien of the ABL Agent on the ABL Priority Collateral in the same manner that the Lien on ABL Priority Collateral in favor of the Term Secured Parties is subordinated hereunder to the Lien of the ABL Secured Parties, (ii) all Liens on Term Priority Collateral securing any such Term DIP Financing shall be senior to or on a parity with the Liens of the Term Agent and the other Term Secured Parties securing the Term Obligations on Term Priority Collateral, (iii) the foregoing provisions of this Section 6.1(b) shall not prevent the ABL Agent and the other ABL Secured Parties from objecting to any provision in any Term DIP Financing relating to any provision or content of a plan of reorganization or other plan of similar effect under any Debtor Relief Laws, (iv) to the extent that the Term Secured Parties are granted adequate protection in the form of a Lien and/or a superpriority administrative claim, the ABL Secured Parties are permitted to seek (without objection from the Term Secured Parties) a Lien on Collateral arising after the commencement of the Insolvency Proceeding and/or a superpriority administrative claim, as applicable (so long as, with respect to Term Priority Collateral, such Lien is junior to the Liens securing such Term DIP Financing and the Term Obligations and such superpriority administrative claim is junior to the superpriority administrative claim granted to the Term Agent, and (v) subject to Section 7.20 hereof, the aggregate outstanding principal amount of all loans under such Term DIP Financing

and the Term Documents does not exceed the Term Debt Cap; provided that the ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that it will raise no objection and will not support any objection to any Term DIP Financing or use of cash collateral or to the Liens securing the same on the grounds of a failure to grant to the ABL Secured Parties a Lien on Collateral arising after the commencement of the Insolvency Proceeding and/or a superpriority administrative claim.

(c) All Liens granted to the ABL Agent or the Term Agent in any Insolvency Proceeding, whether as adequate protection or otherwise, are intended by the Agents to be and shall be deemed to be subject to the Lien Priority and the other terms and conditions of this Agreement. For clarity, the ABL Agent and the other ABL Secured Parties shall not seek to “prime” the Lien of the Term Agent and the other Term Secured Parties on the Term Priority Collateral and the Term Agent and the other Term Secured Parties shall not seek to “prime” the Lien of the ABL Agent and the other ABL Secured Parties on the ABL Priority Collateral.

Section 6.2 Relief From Stay. Until the Discharge of ABL Obligations has occurred, the Term Agent, on behalf of itself and the other Term Secured Parties, agrees not to seek relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of any portion of the ABL Priority Collateral without the ABL Agent’s express written consent. Until the Discharge of Term Obligations has occurred, the ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees not to seek relief from the automatic stay or any other stay in any Insolvency Proceeding in respect of any portion of the Term Priority Collateral without the Term Agent’s express written consent. In addition, neither the Term Agent nor the ABL Agent shall seek any relief from the automatic stay with respect to any Collateral without providing three (3) days’ prior written notice to the other, unless such period is agreed by both the ABL Agent and the Term Agent to be modified or unless the ABL Agent or Term Agent, as applicable, makes a good faith determination that either (A) the ABL Priority Collateral or the Term Priority Collateral, as applicable, will decline speedily in value or (B) the failure to take any action will have a reasonable likelihood of endangering the ABL Agent’s or the Term Agent’s ability to realize upon its Collateral.

Section 6.3 No Contest; Adequate Protection. (a) The Term Agent, on behalf of itself and the other Term Secured Parties, agrees that, prior to the Discharge of ABL Obligations, none of them shall seek or accept any form of adequate protection under any or all of §361, §362, §363 or §364 of the Bankruptcy Code with respect to the ABL Priority Collateral, except as set forth in this Section 6.3 or as may otherwise be consented to in writing by the ABL Agent in its sole and absolute discretion. Without in any manner limiting the provisions of Section 6.1(a), the Term Agent, on behalf of itself and the other Term Secured Parties, agrees that, prior to the Discharge of ABL Obligations, none of them shall contest (or support any other Person contesting) (i) any request by the ABL Agent or any other ABL Secured Party for adequate protection of its interest in the Collateral (unless if the adequate protection sought is in the form of a cash payment, periodic cash payments or otherwise, in each case described in this clause (y), to the extent such payments are made from the proceeds of the Term Priority Collateral or, unless agreed by the Term Agent, from Term DIP Financing provided by the Term Agent or any other Term Secured Party), or (ii) any objection by the ABL Agent or any other ABL Secured Party to any motion, relief, action, or proceeding based on a claim by the ABL Agent or any other ABL Secured Party that its interests in the Collateral (unless in contravention of Section

6.1(b) above) are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the ABL Agent as adequate protection of its interests are subject to this Agreement.

(b) The ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that, prior to the Discharge of Term Obligations, none of them shall seek or accept any form of adequate protection under any or all of §361, §362, §363 or §364 of the Bankruptcy Code with respect to the Term Priority Collateral, except as set forth in this Section 6.3 or as may otherwise be consented to in writing by the Term Agent in its sole and absolute discretion. Without in any manner limiting the provisions of Section 6.1(b), the ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that, prior to the Discharge of Term Obligations, none of them shall contest (or support any other Person contesting) (i) any request by the Term Agent or any other Term Secured Party for adequate protection of its interest in the Collateral (unless (x) in contravention of Section 6.1(b) above, or (y) if the adequate protection sought in the form of a cash payment, periodic cash payments or otherwise, in each case described in this clause (y), to the extent such payments are made from the proceeds of the ABL Priority Collateral or, unless agreed by the ABL Agent, from ABL DIP Financing provided by the ABL Agent or any other ABL Secured Party), or (ii) any objection by the Term Agent or any other Term Secured Party to any motion, relief, action or proceeding based on a claim by the Term Agent or any other Term Secured Party that its interests in the Collateral (unless in contravention of Section 6.1(a) above) are not adequately protected (or any other similar request under any law applicable to an Insolvency Proceeding), so long as any Liens granted to the Term Agent as adequate protection of its interests are subject to this Agreement.

(c) Notwithstanding the foregoing provisions in this Section 6.3, in any Insolvency Proceeding:

(i) if the ABL Secured Parties (or any subset thereof) are granted adequate protection with respect to the ABL Priority Collateral in the form of additional ABL Priority Collateral or collateral of a type which would otherwise have constituted ABL Priority Collateral, then the ABL Agent, on behalf of itself and the other ABL Secured Parties, agrees that the Term Agent, on behalf of itself or any of the other Term Secured Parties, may seek or request (and the ABL Secured Parties will not oppose such request unless in contravention of Section 6.1(a)) adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the ABL Obligations on the same basis as the other Liens of the Term Agent on ABL Priority Collateral; and

(ii) in the event the Term Secured Parties (or any subset thereof) are granted adequate protection in respect of Term Priority Collateral in the form of additional Term Priority Collateral or collateral of a type which would otherwise have constituted Term Priority Collateral, then the Term Agent, on behalf of itself and any of the other Term Secured Parties, agrees that the ABL Agent on behalf of itself or any of the other ABL Secured Parties, may seek or request (and the Term Secured Parties will not oppose such request) adequate protection with respect to its interests in such Collateral in the form of a Lien on the same additional collateral, which Lien will be subordinated to the Liens securing the Term Obligations on the same basis as the other Liens of the ABL Agent on Term Priority Collateral.

(iii) Except as otherwise expressly set forth in Section 6.1(a) or in connection with the exercise of remedies with respect to the ABL Priority Collateral, nothing herein shall limit the rights of the Term Agent or the other Term Secured Parties from seeking adequate protection with respect to their rights in the Term Priority Collateral in any Insolvency Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise). Except in connection with the exercise of remedies with respect to the Term Priority Collateral, nothing herein shall limit the rights of the ABL Agent or the other ABL Secured Parties from seeking adequate protection with respect to their rights in the ABL Priority Collateral in any Insolvency Proceeding (including adequate protection in the form of a cash payment, periodic cash payments or otherwise).

Section 6.4 Asset Sales. The Term Agent agrees, on behalf of itself and the other Term Secured Parties, that it will not oppose any sale consented to by the ABL Agent of any ABL Priority Collateral pursuant to Section 363(f) of the Bankruptcy Code (or any similar provision under the law applicable to any Insolvency Proceeding or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) so long as the Term Agent, for the benefit of the other Term Secured Parties, shall retain a Lien on the proceeds of such sale (to the extent such proceeds are not applied to the ABL Obligations in accordance with Section 4.1(b)). The ABL Agent agrees, on behalf of itself and the other ABL Secured Parties, that it will not oppose any sale consented to by the Term Agent of any Term Priority Collateral pursuant to Section 363(f) of the Bankruptcy Code (or any similar provision under the law applicable to any Insolvency Proceeding or under a court order in respect of measures granted with similar effect under any foreign Debtor Relief Laws) so long as (i) any such sale is made in accordance with Section 3.6 and (ii) the ABL Agent, for the benefit of the ABL Secured Parties, shall retain a Lien on the proceeds of such sale (to the extent such proceeds are not applied to the Term Obligations in accordance with Section 4.1(c)). If such sale of Collateral includes both ABL Priority Collateral and Term Priority Collateral and the Agents are unable after negotiating in good faith to agree on the allocation of the purchase price between the ABL Priority Collateral and Term Priority Collateral, either Agent may apply to the court in such Insolvency Proceeding to make a determination of such allocation, and the court's determination shall be binding upon the Agents.

Section 6.5 Separate Grants of Security and Separate Classification. Each Term Secured Party and each ABL Secured Party acknowledges and agrees that (i) the grants of Liens pursuant to the ABL Collateral Documents and the Term Collateral Documents constitute two separate and distinct grants of Liens and (ii) because of, among other things, their differing rights in the Collateral, the Term Obligations are fundamentally different from the ABL Obligations and must be separately classified in any plan of reorganization (or other plan of similar effect under any Debtor Relief Laws) proposed or adopted in an Insolvency 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 Term Secured Parties in respect of the Collateral constitute only one secured claim (rather than separate classes of senior and junior secured claims), then the ABL Secured Parties and the Term Secured Parties hereby acknowledge and agree that all distributions shall be made as if there were separate classes of ABL Obligation claims and Term Obligation claims against the Credit Parties, with the effect being that, to the extent that the aggregate value of the ABL Priority Collateral or Term Priority Collateral, as applicable, is sufficient (for this purpose ignoring all claims held by the other

Secured Parties), the ABL Secured Parties or the Term 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 that is available from each pool of Priority Collateral for each of the ABL Secured Parties and the Term Secured Parties, respectively, before any distribution is made in respect of the claims held by the other Secured Parties from such Collateral, with the other Secured Parties hereby acknowledging and agreeing to turn over to the respective other Secured Parties amounts otherwise received or receivable by them to the extent necessary to effectuate the intent of this sentence, even if such turnover has the effect of reducing the aggregate recoveries.

Section 6.6 Enforceability. The provisions of this Agreement are intended to be and shall be enforceable under Section 510(a) of the Bankruptcy Code.

Section 6.7 ABL Obligations Unconditional. All rights of the ABL Agent hereunder, and all agreements and obligations of the Term Agent and the Credit Parties (to the extent applicable) hereunder, shall remain in full force and effect irrespective of:

A. any lack of validity or enforceability of any ABL Document;

B. any change in the time, place or manner of payment of, or in any other term of, all or any portion of the ABL Obligations, or any Modification, whether by course of conduct or otherwise, or any refinancing, replacement, extension, increase, restructuring, refunding or restatement of any ABL Document (but solely to the extent permitted pursuant to Section 5.2(a) hereof);

C. any exchange, release, voiding, avoidance or non perfection of any security interest in any Collateral or any other collateral, or any Modification, whether by course of conduct or otherwise, or any refinancing, replacement, extension, restructuring, refunding, restatement or increase of all or any portion of the ABL Obligations or any guarantee or guaranty thereof; or

D. any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Credit Party in respect of the ABL Obligations (other than Discharge of ABL Obligations), or of any of the Term Agent or any Credit Party, to the extent applicable, in respect of this Agreement.

Section 6.8 Term Obligations Unconditional. All rights of the Term Agent hereunder, and all agreements and obligations of the ABL Agent and the Credit Parties (to the extent applicable) hereunder, shall remain in full force and effect irrespective of:

A. any lack of validity or enforceability of any Term Document;

B. any change in the time, place or manner of payment of, or in any other term of, all or any portion of the Term Obligations, or any Modification, whether by course of conduct or otherwise, or any refinancing, replacement, extension, increase, restructuring, refunding or restatement of any Term Document (but solely to the extent permitted pursuant to Section 5.2(a) hereof);

C. any exchange, release, voiding, avoidance or non perfection of any security interest in any Collateral, or any other collateral, or any Modification, whether by course of conduct or otherwise, or any refinancing, replacement, extension, restructuring, refunding, restatement or increase of all or any portion of the Term Obligations or any guarantee or guaranty thereof; or

D. any other circumstances that otherwise might constitute a defense available to, or a discharge of, any Credit Party in respect of the Term Obligations (other than Discharge of Term Obligations), or of any of the ABL Agent or any Credit Party, to the extent applicable, in respect of this Agreement.

ARTICLE 7

MISCELLANEOUS

Section 7.1 Rights of Subrogation. The Term Agent, for and on behalf of itself and the other Term Secured Parties, agrees that no payment to the ABL Agent or any other ABL Secured Party pursuant to the provisions of this Agreement shall entitle the Term Agent or any other Term Secured Party to exercise any rights of subrogation in respect thereof until the Discharge of ABL Obligations shall have occurred. Following the Discharge of ABL Obligations, the ABL Agent agrees to execute such documents, agreements, and instruments as the Term Agent or any other Term Secured Party may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the ABL Obligations resulting from payments to the ABL Agent by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the ABL Agent are paid by such Person upon request for payment thereof. The ABL Agent, for and on behalf of itself and the other ABL Secured Parties, agrees that no payment to the Term Agent or any other Term Secured Party pursuant to the provisions of this Agreement shall entitle the ABL Agent or any other ABL Secured Party to exercise any rights of subrogation in respect thereof until the Discharge of Term Obligations shall have occurred. Following the Discharge of Term Obligations, the Term Agent agrees to execute such documents, agreements, and instruments as the ABL Agent or any other ABL Secured Party may reasonably request to evidence the transfer by subrogation to any such Person of an interest in the Term Obligations resulting from payments to the Term Agent by such Person, so long as all costs and expenses (including all reasonable legal fees and disbursements) incurred in connection therewith by the Term Agent are paid by such Person upon request for payment thereof.

Section 7.2 Further Assurances. The Agents will, at their own expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that either Agent may reasonably request, in order to protect any right or interest granted or purported to be granted hereby or to enable the ABL Agent or the Term Agent to exercise and enforce its rights and remedies hereunder; provided, however, that no Agent shall be required to pay over any payment or distribution, execute any instruments or documents, or take any other action referred to in this Section 7.2, to the extent that such action would contravene any law, order or other legal requirement or any of the terms or provisions of this Agreement, and in the event of a controversy or dispute, such Agent may interplead any payment or distribution in any court of

competent jurisdiction, without further responsibility in respect of such payment or distribution under this Section 7.2.

Section 7.3 Representations. The Term Agent represents and warrants to the ABL Agent that it has the requisite power and authority under the Term Documents to enter into, execute, deliver, and carry out the terms of this Agreement on behalf of itself and the other Term Secured Parties and that this Agreement shall be binding obligations of the Term Agent and the other Term Secured Parties, enforceable against the Term Agent and the other Term Secured Parties in accordance with its terms. The ABL Agent represents and warrants to the Term Agent that it has the requisite power and authority under the ABL Documents to enter into, execute, deliver, and carry out the terms of this Agreement on behalf of itself and the other ABL Secured Parties and that this Agreement shall be binding obligations of the ABL Agent and the other ABL Secured Parties, enforceable against the ABL Agent and the other ABL Secured Parties in accordance with its terms.

Section 7.4 Amendments. No amendment or waiver of any provision of this Agreement nor consent to any departure by any Agent hereto shall be effective unless it is in a written agreement executed by the Term Agent and the ABL Agent, and, in the case of any amendment or waiver that would be materially adverse to a Credit Party, the Lead Borrower, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7.5 Addresses for Notices. Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, emailed, or sent by overnight express courier service or United States mail and shall be deemed to have been given when delivered in person or by courier service, upon receipt of an email or telecopy or three (3) days after deposit in the United States mail (certified, with postage prepaid and properly addressed). For the purposes hereof, the addresses of the Agents hereto (until notice of a change thereof is delivered as provided in this Section) shall be as set forth below or, as to each Agent, at such other address as may be designated by such Agent in a written notice to all of the other Agents.

ABL Agent: Wells Fargo Bank, National Association
One Boston Place, 18th Floor
Boston, MA 02108
Attention: Peter Foley
Telephone No.: (617) 854-7283
Facsimile No.: (855) 461-3726
Email: peter.foley@wellsfargo.com

Term Agent: Credit Suisse AG
Eleven Madison Avenue
New York, NY 10010
Attention: Sean Portrait – Agency Manager
Telephone No.: (919) 994-6369
Facsimile No.: (212) 322-2291
Email: agency.loanops@credit-suisse.com

Section 7.6 No Waiver; Remedies. No failure on the part of any Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 7.7 Continuing Agreement, Transfer of Secured Obligations. This Agreement is a continuing agreement and shall, subject to Section 5.3, (a) remain in full force and effect until the Discharge of ABL Obligations or the Discharge of Term Obligations shall have occurred, (b) be binding upon the Agents and their successors and assigns, and (c) inure to the benefit of and be enforceable by the Agents and their respective successors, transferees and permitted assigns. Except as set forth in Section 7.4, nothing herein is intended, or shall be construed to give, any other Person any right, remedy or claim under, to or in respect of this Agreement or any Collateral. All references to any Credit Party shall include any Credit Party as debtor-in-possession and any receiver or trustee for such Credit Party in any Insolvency Proceeding. Without limiting the generality of the foregoing clause (c), the ABL Agent, any other ABL Secured Party, the Term Agent, or any other Term Secured Party may assign or otherwise transfer all or any portion of the ABL Obligations or the Term Obligations in accordance with the ABL Credit Agreement or the Term Credit Agreement, in each case, as applicable, to any other Person, and such other Person shall thereupon become vested with all the rights and obligations in respect thereof granted to the ABL Agent, the Term Agent, any other ABL Secured Party, or any other Term Secured Party, as the case may be, herein or otherwise. The ABL Secured Parties and the Term Secured Parties may continue, at any time and without notice to the other parties hereto, to extend credit and other financial accommodations, lend monies and provide Indebtedness to, or for the benefit of, any Credit Party on the faith hereof.

Section 7.8 GOVERNING LAW; ENTIRE AGREEMENT. (a) THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. This Agreement constitutes the entire agreement and understanding among the Agents with respect to the subject matter hereof and supersedes any prior agreements, written or oral, with respect thereto.

Section 7.9 Counterparts. This Agreement may be executed in any number of counterparts, and it is not necessary that the signatures of all Agents be contained on any one counterpart hereof, each counterpart will be deemed to be an original, and all together shall constitute one and the same document. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission (in pdf or similar format) shall be as effective as delivery of a manually signed counterpart of this Agreement.

Section 7.10 No Third Party Beneficiaries. This Agreement is solely for the benefit of the ABL Agent, other ABL Secured Parties, Term Agent and other Term Secured Parties. Except for amendments and waivers which require the consent of the Credit Parties pursuant to Section 7.4, no other Person (including any Borrower, any Guarantor or any Affiliate of any Borrower or any Guarantor, or any Subsidiary of any Borrower or any Guarantor) shall be deemed to be a third party beneficiary of this Agreement.

Section 7.11 Headings. The headings of the articles and sections of this Agreement are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

Section 7.12 Severability. If any of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and shall not invalidate the Lien Priority or the application of Proceeds and other priorities set forth in this Agreement. The Agents shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 7.13 [Reserved].

Section 7.14 VENUE; JURY TRIAL WAIVER.

(a) EACH PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY 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 PARTY HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH PARTY HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

(b) EACH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT IN ANY COURT REFERRED TO IN PARAGRAPH (a) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION. EACH PARTY HERETO REPRESENTS THAT IT HAS REVIEWED THIS WAIVER AND IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(d) EACH PARTY TO THIS AGREEMENT IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 7.5. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY TO THIS AGREEMENT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

Section 7.15 Intercreditor Agreement. This Agreement is the “Intercreditor Agreement” referred to in the ABL Credit Agreement and this Agreement is the “ABL Intercreditor Agreement” referred to in the Term Credit Agreement. Nothing in this Agreement shall be deemed to subordinate the obligations due to (i) any ABL Secured Party to the obligations due to any Term Secured Party or (ii) any Term Secured Party to the obligations due to any ABL Secured Party (in each case, whether before or after the occurrence of an Insolvency Proceeding), it being the intent of the Agents that this Agreement shall effectuate a subordination of Liens but not a subordination of Indebtedness.

Section 7.16 No Warranties or Liability. The Term Agent and the ABL Agent acknowledge and agree that neither has made any representation or warranty with respect to the execution, validity, legality, completeness, collectability or enforceability of any other ABL Document or any Term Document. Except as otherwise provided in this Agreement, the Term

Agent and the ABL Agent will be entitled to manage and supervise their respective extensions of credit to any Credit Party in accordance with law and their usual practices, modified from time to time as they deem appropriate.

Section 7.17 Conflicts. In the event of any conflict between the provisions of this Agreement and the provisions of any ABL Document or any Term Document, the provisions of this Agreement shall govern.

Section 7.18 Costs and Expenses. All costs and expenses incurred by the Term Agent and the ABL Agent, including, without limitation pursuant to Section 3.8(d) and Section 4.1(e) hereunder shall be reimbursed by the Borrowers and the Credit Parties as provided in Section 9.05 of the Term Credit Agreement (or any similar provision) and Section 10.04 (or any similar provision) of the ABL Credit Agreement.

Section 7.19 Information Concerning Financial Condition of the Credit Parties.

(a) Each of the Term Agent and the ABL Agent hereby assumes responsibility for keeping itself informed of the financial condition of the Credit Parties and all other circumstances bearing upon the risk of nonpayment of the ABL Obligations or the Term Obligations. The Term Agent and the ABL Agent hereby agree that no party shall have any duty to advise any other Agent of information known to it regarding such condition or any such circumstances. In the event the Term Agent or the ABL Agent, in its sole discretion, undertakes at any time or from time to time to provide any information to any other Agent party to this Agreement, (a) it shall be under no obligation (i) to provide any such information to such other Agent or any other Agent on any subsequent occasion, (ii) to undertake any investigation not a part of its regular business routine, or (iii) to disclose any other information, and (b) it makes no representation as to the accuracy or completeness of any such information and shall not be liable for any information contained therein.

(b) The Credit Parties agree that any information provided to the ABL Agent, the Term Agent, any other ABL Secured Party or any other Term Secured Party may be shared by such Person with the ABL Agent, the Term Agent, any other ABL Secured Party or any other Term Secured Party notwithstanding a request or demand by any such Credit Party that such information be kept confidential; provided that such information shall otherwise be subject to the respective confidentiality provisions in the ABL Credit Agreement and the Term Credit Agreement, as applicable.

Section 7.20 ABL Debt Cap; Term Debt Cap. Notwithstanding anything to the contrary, each of the Term Agent (for itself and on behalf of the other Term Secured Parties) and the ABL Agent (for itself and on behalf of the other ABL Secured Parties) acknowledges and agrees as follows:

(a) ABL Debt Cap. If, at any time, the sum of (i) the maximum aggregate principal amount of the loans thereunder *plus* (ii) the face amount of letters of credit issued and outstanding thereunder, *plus* (iii) the aggregate amount of ABL Obligations with respect to ABL Bank Products, calculated, in the case of Swap Contracts, on the applicable Swap Termination Value (as defined in the ABL Credit Agreement) exceeds the ABL Debt Cap (provided that, for

the avoidance of doubt, ABL Obligations under ABL Cash Management Services shall not be included in the calculation of the ABL Debt Cap), or any ABL Document is Modified to permit the same, such event shall not constitute a default by the ABL Agent or any other ABL Secured Party of its obligations hereunder, but rather any such excess amounts shall constitute Excess ABL Obligations subject to the shifting priorities described in Section 4.1 hereof.

(b) Term Debt Cap. If at any time, the maximum aggregate principal of the loans or notes under the Term Documents exceeds the Term Debt Cap (provided that, for the avoidance of doubt, Term Obligations under Term Hedging Agreements shall not be included in the calculation of the Term Debt Cap), or any Term Document is Modified to permit the same, such event shall not constitute a default by the Term Agent or any other Term Secured Party of its obligations hereunder, but rather any such excess amounts shall constitute Excess Term Obligations subject to the shifting priorities described in Section 4.1 hereof.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the ABL Agent, for and on behalf of itself and the other ABL Secured Parties, and the Term Agent, for and on behalf of itself and the other Term Secured Parties, have caused this Agreement to be duly executed and delivered as of the date first above written.

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**, in its capacity as the ABL Agent

By: _____
Name:
Title:

[Signature Page to Intercreditor Agreement]

**CREDIT SUISSE AG, CAYMAN ISLANDS
BRANCH**, in its capacity as the Term Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

[Signature Page to Intercreditor Agreement]

ACKNOWLEDGMENT

Each Borrower and each Guarantor hereby acknowledges that it has received a copy of this Intercreditor Agreement to which this Acknowledgement is attached as in effect on the date hereof, and to the extent applicable to it, and consents thereto, agrees to recognize all rights granted thereby to the ABL Agent, the other ABL Secured Parties, the Term Agent, and the other Term Secured Parties (including pursuant to Section 7.18), and will not do any act or perform any obligation which is not in accordance with the agreements set forth in this Agreement as in effect on the date hereof (and, to the extent such Borrower and Guarantor receive a copy of any amendment hereto, as amended and in effect from time to time). Each Borrower and each Guarantor further acknowledges and agrees that, except for amendments for which their consent is required pursuant to Section 7.4, it is not an intended beneficiary or third party beneficiary under this Agreement and (i) as between the ABL Secured Parties, the Borrowers and Guarantors, the ABL Documents remain in full force and effect as written and are in no way modified hereby, and (ii) as between the Term Secured Parties, the Borrowers and Guarantors, the Term Documents remain in full force and effect as written and are in no way modified hereby.

Without limiting the foregoing or limiting or prejudicing any rights or remedies the Borrowers and the other Credit Parties may have, Parent, the Borrowers and the other Credit Parties consent to the rights granted to the ABL Secured Parties, and the performance by the Term Agent of the obligations, set forth in Section 3.6 of this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the undersigned has have caused this Acknowledgment to be duly executed and delivered as of the date first above written.

SPORTSMAN'S WAREHOUSE, INC., as
Lead Borrower, an ABL Borrower and the
Term Borrower

By: _____
Name:
Title:

SPORTSMAN'S WAREHOUSE
SOUTHWEST, INC., as an ABL Borrower
and a Term Guarantor

By: _____
Name:
Title:

MINNESOTA MERCHANDISING CORP.,
as an ABL Borrower and a Term Guarantor

By: _____
Name:
Title:

PACIFIC FLYWAY WHOLESALE, LLC,
as an ABL Borrower and a Term Guarantor

By: Sportsman's Warehouse, Inc., its sole member

By: _____
Name:
Title:

[Signature Page to Acknowledgment - Intercreditor Agreement]

SPORTSMAN'S WAREHOUSE
HOLDINGS, INC, as an ABL Guarantor
and a Term Guarantor

By: _____
Name:
Title:

[Signature Page to Acknowledgment - Intercreditor Agreement]

EXHIBIT F

[FORM OF] AFFILIATE SUBORDINATION AGREEMENT

THIS AFFILIATE SUBORDINATION AGREEMENT (this "Agreement"), dated as of [—], 201[—], made by and among each entity named on Schedule I attached hereto (collectively with any entity becoming a party hereto pursuant to Section 10, the "Subordinated Creditors") and each entity named on Schedule II attached hereto (collectively, the "Subordinated Debtors"), in favor of Credit Suisse AG ("CS"), in its capacity as administrative agent and collateral agent under the Credit Agreement (as defined below).

W I T N E S S E T H:

WHEREAS, pursuant to the Loan Documents (such capitalized term, and other terms used herein and not otherwise defined herein, to have the meanings ascribed thereto in the Credit Agreement) the Lenders have extended and/or will extend financing arrangements to the Borrower;

WHEREAS, each Subordinated Debtor may hereafter from time to time become indebted or otherwise obligated to the applicable Subordinated Creditor in respect of indebtedness related to or resulting from intercompany loans, advances or other indebtedness from such Subordinated Creditor (all such present and future indebtedness owing to the Subordinated Creditors (whether created directly or acquired by assignment or otherwise), and interest, premiums and fees, if any, thereon and other amounts payable in respect thereof and all rights and remedies of the Subordinated Creditors with respect thereto, being referred to as the "Intercompany Subordinated Debt");

WHEREAS, pursuant to the Credit Agreement, each of the Subordinated Creditors and each of the Subordinated Debtors is required to execute and deliver this Agreement;

WHEREAS, each Subordinated Creditor and each Subordinated Debtor has duly authorized the execution, delivery and performance of this Agreement; and

WHEREAS, it is in the best interests of each Subordinated Creditor to execute this Agreement inasmuch as such Subordinated Creditor and each Subordinated Debtor will derive substantial direct and indirect benefits from the financing arrangements made from time to time to the Borrower by the Lenders pursuant to the Loan Documents.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. As used in this Agreement, the following terms shall have the meanings specified below (for all purposes of this Agreement, the rules of construction and interpretative provisions set forth in Section 1.02 of the Credit Agreement shall apply unless the context otherwise requires):

"Agreement" is defined in the preamble hereof.

"Credit Agreement" shall mean that certain Credit Agreement, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, by and among Sportsman's Warehouse, Inc., a Utah corporation, Sportsman's Warehouse Holdings, Inc., a Utah corporation, the lenders from time to time party thereto, and Credit Suisse AG, as

administrative agent, (in such capacity, the “Administrative Agent”) and as collateral agent, (in such capacity, the “Collateral Agent”).

“Discharge of Obligations” shall mean, subject to Section 8(b) hereof, (a) payment in full in cash of the principal of and interest (including interest accruing on or after the commencement of any Insolvency or Liquidation Proceeding, whether or not such interest would be allowed in such Insolvency or Liquidation Proceeding) and premium, if any, on all Indebtedness outstanding under the Loan Documents (including, without limitation any refinancings or replacement of any thereof), (b) payment in full of all other Obligations (or, with respect to obligations under Hedging Agreements, other arrangements reasonably satisfactory to the applicable hedge counterparty) that are due and payable or otherwise accrued and owing at or prior to the time such principal and interest and premium, if any, are paid, and (c) termination of all Commitments (if any) of the Lenders under the Loan Documents (including without limitation, any refinancings or replacements of any thereof).

“Insolvency or Liquidation Proceeding” shall mean as to any Person (a) any voluntary or involuntary case or proceeding under any Debtor Relief Laws with respect to such Person, (b) any other voluntary or involuntary insolvency, reorganization, arrangement or bankruptcy case or proceeding, or any receivership, liquidation, reorganization, arrangement or other similar case or proceeding with respect to such Person or with respect to a material portion of its assets, (c) any liquidation, dissolution, reorganization or winding up of such Person whether voluntary or involuntary and whether or not involving insolvency or bankruptcy or (d) any general assignment for the benefit of creditors or any other marshalling of assets and liabilities of such Person.

“Intercompany Subordinated Debt” is defined in the recitals hereof.

“Prepayment” is defined in Section 2(b) hereof.

“Scheduled Payment” is defined in Section 2(b) hereof.

“Subordinated Creditor” is defined in the preamble hereof.

“Subordinated Debtor” is defined in the preamble hereof.

2. Agreement to Subordinate.

(a) Each of the Subordinated Debtors and Subordinated Creditors agrees that the Intercompany Subordinated Debt is and shall be subject, subordinate and rendered junior, to the extent and in the manner hereinafter set forth, in right of payment, to the prior payment in full of all Obligations now existing or hereafter arising under the Loan Documents. For purposes of this Agreement, the Obligations shall not be deemed to have been paid in full until the Discharge of Obligations. To the extent permitted by applicable law, each of the Subordinated Debtors and the Subordinated Creditors waives notice of acceptance of this Agreement by the Lenders, and each Subordinated Creditor waives notice of and consent to the making, amount and terms of the Obligations which may exist or be created from time to time and any renewal, extension, amendment or modification thereof, and any other lawful action which any Lender in its sole and absolute discretion may take or omit to take with respect thereto. The provisions of this Section 2 shall constitute a continuing offer made for the benefit of and to all Lenders, and each Lender is hereby irrevocably authorized to enforce such provisions.

(b) Prior to the Discharge of Obligations and subject to Sections 2(c) and 3(d) below, no Subordinated Debtor shall pay or make and no Subordinated Creditor shall accept or receive, any payment in respect of the Intercompany Subordinated Debt other than (i) regularly scheduled payments of

principal and interest on the Intercompany Subordinated Debt (a “Scheduled Payment”) and (ii) prepayments of principal and accrued interest on the Intercompany Subordinated Debt (a “Prepayment”). For purposes of these provisions in this Section 2, “payment” in respect of any Intercompany Subordinated Debt shall include any payment or distribution from any source, whether in cash, property or securities, by set-off or otherwise, in respect of principal, premium, interest or otherwise, including in connection with any redemption or purchase of such Intercompany Subordinated Debt or any recovery on any claim for rescission or damages.

(c) No Subordinated Debtor shall make, and no Subordinated Creditor shall receive or accept, any Prepayment or Scheduled Payment if (i) an Event of Default has occurred and is continuing under the Credit Agreement or would result therefrom, or (ii) such Prepayment or Scheduled Payment is otherwise prohibited under the Loan Documents.

(d) In the event that any Subordinated Debtor shall make, and/or any Subordinated Creditor shall receive, any payment on Intercompany Subordinated Debt in contravention of this Agreement or the terms of the Credit Agreement, then and in any such event such payment shall be deemed to be the property of and segregated, received and held in trust for the benefit of, the Lenders, and shall be promptly paid over and delivered to the Administrative Agent in the same form as so received (with any necessary indorsement) for the benefit of the Lenders.

(e) Subject to compliance with Section 3(b) hereof, a Subordinated Creditor shall automatically be released from its obligations hereunder upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subordinated Creditor ceases to be a Subsidiary of Holdings.

3. In Furtherance of Subordination.

(a) Upon any distribution of all or any of the assets of any Subordinated Debtor or any Subordinated Creditor in the event of any Insolvency or Liquidation Proceeding of any such Subordinated Debtor or such Subordinated Creditor, then, and in any such event, the Lender shall be entitled to the Discharge of Obligations (whether or not the Obligations have been declared due and payable prior to the date on which the Obligations would otherwise have become due and payable) before such Subordinated Creditor or anyone claiming through or on its behalf (including any receiver, trustee, or otherwise) is entitled to receive any payment on account of principal of (or premium, if any) or interest on or other amounts payable in respect of the Intercompany Subordinated Debt, and to that end any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in respect of the Intercompany Subordinated Debt in any such case, proceeding, dissolution, liquidation or other winding up or event, shall be paid or delivered directly to the Administrative Agent for the application to the Obligations until the Discharge of Obligations.

(b) Prior to any dissolution, distribution, sale or other disposition of any Subordinated Creditor pursuant to a transaction permitted by the Credit Agreement, each Subordinated Creditor and each Subordinated Debtor shall cause the subsequent holder (to the extent such subsequent holder is not a Loan Party) of the Intercompany Subordinated Debt to subordinate the Intercompany Subordinated Debt to the Obligations on substantially the same terms and conditions set forth in this Agreement or otherwise on terms and conditions reasonably satisfactory to the Administrative Agent.

(c) If any Insolvency or Liquidation Proceeding referred to in Section 3(a), above is commenced by or against any Subordinated Debtor or any Subordinated Creditor during the continuance of such Insolvency or Liquidation Proceeding,

(i) the Administrative Agent is hereby irrevocably authorized and empowered (in its own name or in the name of such Subordinated Debtor, such Subordinated Creditor or otherwise), but shall have no obligation, to demand, sue for, collect and receive every payment or distribution in respect of the Intercompany Subordinated Debt and give acquittance therefor and to file claims and proofs of claim and take such other action (including, without limitation, voting the Intercompany Subordinated Debt or enforcing any security interest or other lien securing payment of the Intercompany Subordinated Debt) as the Administrative Agent may deem necessary or advisable for the exercise or enforcement of any of the rights or interests of the Lenders hereunder; provided, that, in the event that the Administrative Agent takes such action, the Administrative Agent shall apply all proceeds first, to the payment of the actual costs and expenses of enforcement of this Agreement, and second, to the Obligations in accordance with Section 5.02 of the Guarantee and Collateral Agreement; and

(ii) such Subordinated Creditor shall duly and promptly take such action as the Administrative Agent may reasonably request (A) to collect the Intercompany Subordinated Debt for the account of the Lenders and to file appropriate claims or proofs of claim in respect of the Intercompany Subordinated Debt, (B) to execute and deliver to the Administrative Agent such powers of attorney, assignments, or other instruments as the Administrative Agent may reasonably request to enable them to enforce any and all claims with respect to, and any security interests and other liens securing payment of, the Intercompany Subordinated Debt and (C) to collect and receive any and all payments or distributions which may be payable or deliverable upon or with respect to the Intercompany Subordinated Debt.

(d) All payments or distributions of assets of any Subordinated Debtor, whether in cash, property or securities upon or with respect to the Intercompany Subordinated Debt that are received by the applicable Subordinated Creditor contrary to the provisions of this Agreement shall be received in trust for the benefit of the Lenders, shall be segregated from other funds and property held by such Subordinated Creditor and shall be forthwith paid over to the Administrative Agent in the same form as so received (with any necessary indorsement) to be applied to the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

(e) The Administrative Agent and the Lenders are hereby authorized to demand specific performance of this Agreement, whether or not the Subordinated Debtors or the Subordinated Creditors shall have complied with any of the provisions hereof applicable to it, at any time when the Subordinated Creditors or any one of them shall have failed to comply with any of the provisions of this Agreement applicable to it. Each Subordinated Creditor hereby irrevocably waives any defense (other than the defense of a Discharge of Obligations) based on the adequacy of a remedy at law which might be asserted as a bar to such remedy of specific performance.

4. No Enforcement or Commencement of Any Proceedings. Each Subordinated Creditor agrees that prior to the Discharge of Obligations, it will not take any action or commence any proceeding to enforce or collect the Intercompany Subordinated Debt, or commence, or join with any creditor other than the Lenders in commencing, any proceeding referred to in Section 3(a), in each case prior to the 10th Business Day after the date upon which such Subordinated Creditor shall have given written notice to the Administrative Agent of its intention to take such action.

5. Rights of Subordination. Each Subordinated Creditor agrees that no payment or distribution to the Administrative Agent or the Lenders pursuant to the provisions of this Agreement shall entitle such Subordinated Creditor to exercise any rights of subrogation in respect thereof until the Discharge of Obligations. Each Subordinated Creditor agrees that the subordination provisions contained herein shall not be affected by any action, or failure to act, by the Administrative Agent or the Lenders

which results, or may result, in affecting, impairing or extinguishing any right of reimbursement or subrogation or other right or remedy of such Subordinated Creditor against the applicable Subordinated Debtor.

6. Disposition or Enforcement of Intercompany Subordinated Debt. The Subordinated Creditors will not, without the prior written consent of the Administrative Agent, or except to the extent permitted by the Credit Agreement:

(a) sell, assign, transfer, endorse, pledge, encumber or otherwise dispose of any of the Intercompany Subordinated Debt; or

(b) during the continuance of an Event of Default, take, or permit to be taken, any action to assert, collect or enforce the Intercompany Subordinated Debt or any part thereof, except that portion of the Intercompany Subordinated Debt enforced on behalf of the Lenders pursuant to Section 3(c).

7. Agreement by the Subordinated Debtors. Each Subordinated Debtor agrees that it will not make any payment on any of the Intercompany Subordinated Debt, or take any other action, in contravention of the provisions of this Agreement. Each Subordinated Creditor agrees that it shall not require and shall not accept any payment on any of the Intercompany Subordinated Debt, or take any other action, in contravention of the provisions of this Agreement.

8. Obligations Hereunder Not Affected.

(a) All rights and interests of the Administrative Agent and the Lenders hereunder, and all agreements and obligations of the Subordinated Creditors and the Subordinated Debtors hereunder, shall to the extent permitted by applicable law remain in full force and effect irrespective of:

(i) any lack of validity or enforceability of any document evidencing the Obligations;

(ii) any change in the time, manner or place of payment of, or any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to departure from any of the documents evidencing or relating to the Obligations;

(iii) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any guaranty or Loan Document, for all or any of the Obligations;

(iv) any failure of the Administrative Agent or any Lender to assert any claim or to enforce any right or remedy against any other party hereto under the provisions of this Agreement, the Credit Agreement or any other Loan Document;

(v) any reduction, limitation, impairment or termination of the Obligations for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to (and each of the Subordinated Debtors and the Subordinated Creditors hereby waives any right to or claim of) any defense (other than the defense of a Discharge of Obligations) or setoff, counterclaim, recoupment or termination whatsoever by reason of invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, any Obligations; and

(vi) any other circumstance which might otherwise constitute a defense (other than the defense of a Discharge of Obligations) available to, or a discharge of, the Subordinated Debtors in respect of the Obligations or the Subordinated Creditors in respect of this Agreement.

(b) Notwithstanding anything to the contrary herein, this Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Administrative Agent or any Lender upon any Insolvency or Liquidation Proceeding of any Subordinated Debtor or otherwise, all as though such payment or any portion thereof had not been made. Each Subordinated Creditor acknowledges and agrees that the Administrative Agent and the Lenders may, in accordance with the terms of the Loan Documents, to the extent permitted by applicable law without notice or demand and without affecting or impairing such Subordinated Creditor's obligations hereunder, from time to time (i) renew, compromise, extend, increase, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Obligations or any part thereof, including, without limitation, to increase or decrease the rate of interest thereon or the principal amount thereof; (ii) take or hold security for the payment of the Obligations and exchange, enforce, foreclose upon, waive and release any such security; (iii) apply such security and direct the order or manner of sale thereof as the Administrative Agent and the Lenders, in their sole discretion, may determine; (iv) release and substitute one or more endorsers, warrantors, borrower or other obligor; and (v) exercise or refrain from exercising any rights against any Subordinated Debtor or any other Person.

9. Amendments, Waivers. Subject to Section 10 below, no amendment or waiver of any provision of this Agreement, nor any consent or departure by any Subordinated Creditor or any Subordinated Debtor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Administrative Agent and each other party hereto and then such waiver, amendment, or consent shall be effective only in the specific instance and for the specific purpose for which given.

10. Additional Subordinated Creditors. Each Subsidiary that was not in existence or not a Subsidiary on the Closing Date is required to enter into this Agreement as a Subordinated Creditor upon becoming such a Subsidiary. Upon execution and delivery by such Subsidiary of a joinder agreement in the form of Exhibit A hereto, such Subsidiary shall become a Subordinated Creditor hereunder with the same force and effect as if originally named as a Subordinated Creditor herein. The execution and delivery of any such instrument shall not require the consent of any other party hereunder. The rights and obligations of each party hereunder shall remain in full force and effect notwithstanding the addition of any new party as a party to this Agreement.

11. Expenses. The Borrower shall pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Collateral Agent, the Lenders and their respective Affiliates (including the reasonable fees, charges and disbursements of counsel (subject to the limitations set forth in Section 9.05 of the Credit Agreement)) in connection with the preparation, negotiation, execution, delivery and administration of this Agreement or in connection with any amendment, amendment and restatement, supplement, joinder, modification and waiver of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated).

12. Address for Notices. All communications and notices hereunder shall be in writing and given as provided in Section 9.01 of the Credit Agreement and as provided on the signature pages hereunder and on any signature page to a Joinder entered into pursuant to Section 10 above.

13. Entire Agreement; Severability. This Agreement and the other Loan Documents represent the entire agreement of the parties hereto with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by the Administrative Agent or any

Lender or any of their respective Affiliates relative to the subject matter hereof not expressly set forth or referred to herein or therein. In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). 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. This Agreement is a Loan Document executed pursuant to the Credit Agreement.

14. Cumulative Rights. No failure to exercise and no delay in exercising, on the part of the Administrative Agent or any Lender, any right, remedy, power or privilege hereunder 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. The parties hereto expressly acknowledge and agree that the Lenders have entered into the Credit Agreement and will continue to make financing arrangements to the Borrower in reliance on the execution and delivery of this Agreement, and the Administrative Agent and the Lenders are intended, and by this reference expressly made, third party beneficiaries of the provisions of this Agreement.

15. Continuing Agreement. This Agreement is a continuing agreement of subordination and the Lenders may, from time to time and without notice to the Subordinated Creditors, extend credit to or make other financing arrangements with the Borrower in reliance hereon. This Agreement shall (i) remain in full force and effect until the Discharge of Obligations (subject to Section 8(b) hereof), (ii) be binding upon the Subordinated Creditors, the Subordinated Debtors and their respective successors, transferees and assigns and (iii) inure to the benefit of and be enforceable (subject to bankruptcy exclusions) by the Administrative Agent and each of the Lenders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing, any Lender may, subject to the provisions of the Credit Agreement, assign or otherwise transfer the Obligations held by it to any other Person, and such other Person shall thereupon become vested with all the rights in respect thereof granted to such Lender herein or otherwise.

16. GOVERNING LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

17. Forum Selection and Consent to Jurisdiction.

(a) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan in New York City, 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 the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Subordinated Creditors, the Subordinated Debtors or their respective properties in the courts of any jurisdiction.

(b) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, 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 New York State or Federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in any action or proceeding arising out of or relating to this Agreement in the manner provided for notices in Section 12 hereof. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law. In furtherance of the foregoing, and not in limitation thereof, each Subordinated Creditor hereby irrevocably designates, appoints and empowers the Borrower, with offices on the date hereof at [—], as its designee, appointee and agent with respect to any action or proceeding in New York to receive, accept and acknowledge for and on its behalf, and in respect of its property, service of any and all legal process, summons, notices and documents which may be served in any such action or proceeding, and each Subordinated Creditor hereby confirms and agrees that the Borrower has been duly and irrevocably appointed as its agent and true and lawful attorney-in-fact in its name, place and stead to accept such service of any and all legal process, summons, notices and documents, and agrees that the failure of such agent to give any advice of any such service of process to such Subordinated Creditor shall not impair or affect the validity of such service or of any judgment based thereon. If for any reason such designee, appointee and agent shall cease to be available to act as such, each Subordinated Creditor agrees to designate a new designee, appointee and agent in New York City on the terms and for the purposes of this provision reasonably satisfactory to the Administrative Agent.

18. Waiver of Jury Trial. Each party hereto hereby waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each party hereto (i) certifies that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement by, among other things, the mutual waivers and certifications in this Section 18.

19. Execution in Counterparts. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract. Delivery of an executed signature page to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Agreement.

20. Headings. Article and Section 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.

21. Relationship Between Administrative Agent and Lenders. Each and every benefit accruing hereunder to the Administrative Agent shall be deemed to also accrue to each applicable Lender.

[Signature Pages Follow]

Exhibit F-9

IN WITNESS WHEREOF, the parties have caused this Affiliate Subordination Agreement to be duly executed and delivered as of the date first above written.

37 [],
as Subordinated Creditor

By: _____
Name: _____
Title: _____

Address for Notices:

[]
[]
Attention: []
Fax No. []
Email: []

[],
as Subordinated Debtor

By: _____
Name: _____
Title: _____

Address for Notices:

[]
[]
Attention: []
Fax No. []
Email: []

37 Add additional signature blocks as necessary.

ACCEPTED BY:

CREDIT SUISSE AG,
as Administrative Agent and as Collateral Agent

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

Address for Notices:
Credit Suisse AG
Eleven Madison Avenue
New York, NY 10010
Attention: Sean Portrait – Agency Manager
Eleven Madison Avenue
New York, NY 10010, Fax No. 212-322-2291
Phone: 919-994-6369
Email: agency.loanops@credit-suisse.com

Affiliate Subordination Agreement

Schedule I

Subordinated Creditors

Schedule II

Subordinated Debtors

JOINDER AGREEMENT , dated as of [], 201[] (“Joinder”), to the Affiliate Subordination Agreement (as defined below), by the [NEW SUBORDINATED CREDITOR].

A. Reference is made to the Affiliate Subordination Agreement, dated as of [], 2013 (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Affiliate Subordination Agreement”), among the Subordinated Creditors and the Subordinated Debtors in favor of CREDIT SUISSE AG, as Administrative Agent and Collateral Agent under the Credit Agreement.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Affiliate Subordination Agreement.

C. Section 10 of the Affiliate Subordination Agreement provides that additional Subsidiaries of Holdings shall become Subordinated Creditors under the Affiliate Subordination Agreement by execution and delivery of an instrument in the form of this Joinder. The undersigned Subsidiary (the “New Subordinated Creditor”) is executing this Joinder in accordance with the requirements of the Affiliate Subordination Agreement to become a Subordinated Creditor under the Affiliate Subordination Agreement.

Accordingly, the New Subordinated Creditor agrees as follows:

SECTION 1. In accordance with Section 10 of the Affiliate Subordination Agreement, the New Subordinated Creditor by its signature below becomes a Subordinated Creditor under the Affiliate Subordination Agreement with the same force and effect as if originally named therein as a Subordinated Creditor and the New Subordinated Creditor hereby agrees to all of the terms and provisions of the Affiliate Subordination Agreement applicable to it as a Subordinated Creditor. Each reference to a “Subordinated Creditor” in the Affiliate Subordination Agreement shall be deemed to include the New Subordinated Creditor. The Affiliate Subordination Agreement is hereby incorporated herein by reference.

SECTION 2. WHEREAS, each Subordinated Creditor and each Subordinated Debtor has duly authorized the execution, delivery and performance of this Agreement; and

WHEREAS, it is in the best interests of each Subordinated Creditor to execute this Agreement inasmuch as such Subordinated Creditor and each Subordinated Debtor will derive substantial direct and indirect benefits from the financing arrangements made from time to time to the Borrower by the Lenders pursuant to the Loan Documents.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 3. This Joinder may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Joinder shall become effective when the Administrative Agent shall have received counterparts of this Joinder, when taken together, that bears the signatures of the New Subordinated Creditor. Delivery of an executed signature page to this Joinder by facsimile transmission or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Joinder.

SECTION 4. Except as expressly supplemented hereby, the Affiliate Subordination Agreement shall remain in full force and effect.

SECTION 5. THIS JOINDER AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS JOINDER AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS JOINDER (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 6. In the event any one or more of the provisions contained in this Joinder should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Affiliate Subordination Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). 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.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 12 of the Affiliate Subordination Agreement.

SECTION 8. The New Subordinated Creditor agrees to reimburse the Administrative Agent in accordance with Section 11 of the Affiliate Subordination Agreement.

IN WITNESS WHEREOF, the New Subordinated Creditor has duly executed this Joinder to the Affiliate Subordination Agreement as of the day and year first above written.

[NAME OF NEW SUBORDINATED CREDITOR]

By: _____
Name:
Title:

Address for Notices:

[]
[]
Attention: []
Fax No. []
Email: []

EXHIBIT G

FORM OF COMPLIANCE CERTIFICATE

[], [], 201[]

This Compliance Certificate ("Compliance Certificate") is delivered pursuant to Section 5.04(c) of the Credit Agreement, dated as of August 20, 2013, among Sportsman's Warehouse, Inc., a Utah corporation, as the Borrower (this and each other capitalized term used herein without definition having the meaning assigned to such term in the Credit Agreement), Sportsman's Warehouse Holdings, Inc., a Utah corporation ("Holdings"), the Lenders from time to time party thereto, and Credit Suisse AG, as Administrative Agent (as amended, restated, amended and restated, supplemented, restructured or otherwise modified from time to time, the "Credit Agreement").

1. I am the duly elected, qualified and acting [Insert Title of Financial Officer] of Holdings and the Borrower, and as such, I am authorized to execute and deliver this Compliance Certificate in the name and on the behalf of the Loan Parties.

2. I have reviewed and am familiar with the contents of this Compliance Certificate.

3. I have reviewed the terms of the Credit Agreement and the other Loan Documents and have made, or caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Holdings and its consolidated subsidiaries during the accounting period covered by the financial statements attached hereto as Attachment 1 (the "Financial Statements"). Such review did not disclose, and I have no knowledge of, the existence of any condition or event that constitutes an Event of Default or Default during or at the end of the accounting period covered by the Financial Statements or as of the date of this Certificate, except as set forth in a separate attachment, if any, to this Compliance Certificate, which separate attachment describes in detail, the nature of the condition or event, the period during which it has existed and the action that Holdings or any of its Subsidiaries has taken, is taking, or proposes to take with respect to each such condition or event.

4. Attached hereto as Attachment 2, which is incorporated herein by this reference, are the computations showing compliance with the covenants set forth in Sections 6.10 and 6.11 of the Credit Agreement [and setting forth the calculation of Excess Cash Flow and the Available Amount for the fiscal year covered by such financial statements]¹.

¹ Insert for Compliance Certificates delivered with annual financial statements (commencing with the first full fiscal year following the Closing Date) pursuant to Section 5.04(a) of the Credit Agreement.

IN WITNESS WHEREOF, I have executed this Compliance Certificate as of the date first above written.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

By: _____
Name:
Title:

Exhibit G-2

[Attach Financial Statements]

Exhibit G-3

The information described herein is as of [] and pertains to the Calculation Period ending on [].

A. Section 6.10 – Interest Coverage Ratio

1.	Consolidated EBITDA (line A.1.a. <i>plus</i> line A.1.b.xi. <i>minus</i> line A.1.c.iv.): ¹	\$[]
a.	Consolidated Net Income:	\$[]
b.	without duplication and to the extent deducted in determining such Consolidated Net Income for such period:	
i.	consolidated interest expense for such period:	\$[]
ii.	consolidated income tax expense for such period:	\$[]
iii.	all amounts attributable to depreciation and amortization for such period:	\$[]
iv.	any non-cash charges (other than the write-down of current assets and non-cash charges representing an accrual or reserve with respect to an item paid or expected to be paid in cash) for such period (including non-cash compensation expense and amounts representing non-cash adjustments for application arising by reason of the application of ASC No. 805 (relating to changes in accounting for the amortization of goodwill and certain other intangibles), ASC No. 350 and ASC No. 360 (relating to the write-down of long-lived assets) and ASC No. 805 (including in connection with “earn outs” incurred as deferred consideration pursuant to a Permitted Acquisition):	\$[]
v.	to the extent paid in accordance with Section 6.07, any management, monitoring, consulting and advisory fees and related expenses paid in cash to the Sponsor during such period:	\$[]
vi.	costs and expenses incurred in connection with (x) the Transactions or (y) the incurrence of any Incremental Term Loans:	\$[]
vii.	costs and expenses incurred in connection with Permitted Acquisitions:	\$[]
viii.	pre-opening and development costs and expenses incurred in connection with the opening of new Stores after the Closing Date:	\$[]

¹ For purposes of the determination of the Interest Coverage Ratio, the Total Net Leverage Ratio and the Total Secured Leverage Ratio at any time, Consolidated EBITDA shall be calculated on a Pro Forma basis.

ix.	any unusual or non-recurring charges, expenses or losses (including, without limitation, for litigation) for such period in an amount not to exceed \$2,500,000; <i>provided</i> , that costs and expenses shall not be added back pursuant to this line A.1.b.ix to the extent such costs and expenses are of a type covered by A.1.b.x:	\$[]
x.	the amount of “run rate” cost savings projected by the Borrower in good faith to be realized as a result of specified actions taken on or prior to the last day of the applicable Calculation Period and which are expected to be realized within 12 months thereafter in connection with future dispositions, discontinued operations and cost saving, restructuring, business optimization and other similar initiatives (which cost savings shall be added to Consolidated EBITDA until fully realized (but, in no event, for more than four fiscal quarters) and calculated on a pro forma basis as though such cost savings had been realized on the first day of the relevant Calculation Period), net of the amount of actual benefits realized during such period from such actions; <i>provided</i> that (1) such cost savings are reasonably identifiable and factually supportable, (2) the Administrative Agent shall have received a certificate from a Financial Officer of the Borrower setting forth the calculation of such cost savings, and (3) the aggregate amount of additions made to Consolidated EBITDA for any Calculation Period pursuant to this line A.1.b.x shall not exceed 10.0% of Consolidated EBITDA for such Calculation Period (calculated prior to giving effect to any adjustment pursuant to this line A.1.b.x):	\$[]
xi.	the sum of lines A.1.b.i. through A.1.b.x:	\$[]
c.	without duplication:	
i.	all cash payments made during such period on account of reserves, restructuring charges and other non-cash charges added to Consolidated Net Income pursuant to A.1.a.iv in a previous period:	\$[]
ii.	any net after tax gain or income from the early extinguishment of Indebtedness, Hedge Agreements or other derivative investments (including as a result of an assignment of Term Loans to a Purchasing Borrower Party only as permitted pursuant to Section 9.04(c) of the Credit Agreement or to an Affiliated Lender as permitted pursuant to Section 9.04(d) of the Credit Agreement):	\$[]
iii.	to the extent included in determining such Consolidated Net Income, any extraordinary gains and all non-cash items of income for such period, all determined on a consolidated basis in accordance with GAAP:	
iv.	the sum of lines A.1.c.i through A.1.c.iii:	\$[]

Exhibit G-5

2.	Consolidated Interest Expense for such period <i>minus</i> line A.2.d:	\$[]
a.	interest income of Holdings, the Borrower and the Subsidiaries for such period:	\$[]
b.	amortization of deferred financing costs, debt issuance costs, commissions, discounts, fees and expenses, pay-in-kind interest expense and any other amounts of non-cash interest (including as a result of the effects of acquisition method accounting) for such period:	\$[]
c.	debt discount or premium and financing fees and expenses for such period, including underwriting and arrangement fees and prepayment or redemption premiums:	\$[]
d.	the sum of lines A.2.a through A.2.c:	\$[]
3.	Interest Coverage Ratio: (the ratio of line A.1 to line A.2):	[]:1.00
4.	Minimum Consolidated Interest Coverage Ratio permitted for such Calculation Period:	[]:1.00 ²
B. Section 6.11 – Maximum Total Net Leverage Ratio		
1.	Total Debt:	\$[]
2.	Unrestricted Cash; <i>provided</i> that the aggregated amount of cash and Permitted Investments permitted to reduce Total Net Debt pursuant to this line B.2 shall not exceed \$7,500,000:	\$[]
3.	Total Net Debt (line B.1. <i>minus</i> line B.2)	\$[]
4.	Consolidated EBITDA for the period of four consecutive fiscal quarters most recently ended on or prior to such date (line A.1):	\$[]
5.	Total Net Leverage Ratio (the ratio of line B.3 to line B.4):	[]:1.00
6.	Maximum Total Net Leverage Ratio permitted as of the last day of such Calculation Period:	[]:[] ³

² As set forth in Section 6.10 of the Credit Agreement.

³ As set forth in Section 6.11 of the Credit Agreement.

EXHIBIT H-1

**[FORM OF]
U.S. TAX COMPLIANCE CERTIFICATE**

(For Foreign Lenders That Are Not Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sportsman's Warehouse, Inc., a Utah corporation (the "Borrower"), Sportsman's Warehouse, Inc., a Utah corporation, the lenders from time to time party thereto, and Credit Suisse AG, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent.

Pursuant to the provisions of Section 2.20(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[signature pages follow]

Exhibit H-1-1

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20

Exhibit H-1-2

EXHIBIT H-2

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement, dated as of August [], 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sportsman's Warehouse, Inc., a Utah corporation (the "Borrower"), Sportsman's Warehouse, Inc., a Utah corporation, the lenders from time to time party thereto, and Credit Suisse AG, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent.

Pursuant to the provisions of Section 2.20(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[signature pages follow]

Exhibit H-2-1

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20

Exhibit H-2-2

EXHIBIT H-3

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sportsman's Warehouse, Inc., a Utah corporation (the "Borrower"), Sportsman's Warehouse, Inc., a Utah corporation, the lenders from time to time party thereto, and Credit Suisse AG, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent.

Pursuant to the provisions of Section 2.20(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[signature pages follow]

Exhibit H-3-1

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF PARTICIPANT]

By: _____
Name:
Title:

Date: _____, 20

Exhibit H-3-2

EXHIBIT H-4

[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Treated As Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Credit Agreement, dated as of August 20, 2013 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Sportsman's Warehouse, Inc., a Utah corporation (the "Borrower"), Sportsman's Warehouse, Inc., a Utah corporation, the lenders from time to time party thereto, and Credit Suisse AG, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent.

Pursuant to the provisions of Section 2.20(g) of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Borrower and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[signature pages follow]

Exhibit H-4-1

IN WITNESS WHEREOF, the undersigned has duly executed this certificate.

[NAME OF LENDER]

By: _____
Name:
Title:

Date: _____, 20

Exhibit H-4-2

GUARANTEE AND COLLATERAL AGREEMENT

dated as of

August 20, 2013

among

SPORTSMAN'S WAREHOUSE, INC.,

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,

the Subsidiaries of the Borrower
from time to time party hereto

and

CREDIT SUISSE AG,
as Collateral Agent

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Exhibit C-3	Form of Short Form Copyright Security Agreement

GUARANTEE AND COLLATERAL AGREEMENT dated as of November 13, 2012 (this "**Agreement**"), among SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (the "**Borrower**"), SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah corporation ("**Holdings**"), the Subsidiaries of the Borrower from time to time party hereto and CREDIT SUISSE AG ("**Credit Suisse**"), as collateral agent (in such capacity, the "**Collateral Agent**").

PRELIMINARY STATEMENT

Reference is made to the Credit Agreement dated as of November 13, 2012 (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among the Borrower, Holdings, the lenders from time to time party thereto (the "**Lenders**") and Credit Suisse AG, as administrative agent (in such capacity, the "**Administrative Agent**") and Collateral Agent.

The Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified in, the Credit Agreement. The obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of this Agreement by the Borrower and each Guarantor (as defined below). Each Guarantor is an affiliate of the Borrower, will derive substantial benefits from the extension of credit to the Borrower pursuant to the Credit Agreement and is willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit.

The Intercreditor Agreement governs the relative rights and priorities of the Secured Parties in respect of the Term Priority Collateral and the ABL Priority Collateral. Accordingly, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. **Credit Agreement.** (a) Capitalized terms used in this Agreement and not otherwise defined herein have the meanings set forth in the Credit Agreement. All capitalized terms defined in the New York UCC (as such term is defined herein) and not otherwise defined in this Agreement or in the Credit Agreement have the meanings specified therein. All references to the Uniform Commercial Code shall mean the New York UCC; provided that, if by reason of mandatory provisions of law, any or all of the perfection or priority of the security interest in any collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the state of New York, the term "Uniform Commercial Code" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection of priority and for purposes of definitions related to such provisions.

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. **Other Defined Terms.** As used in this Agreement, the following terms have the meanings specified below:

“**ABL Agent**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Documents**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Obligations**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Priority Collateral**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**ABL Secured Parties**” shall have the meaning assigned to such term in the Intercreditor Agreement.

“**Accounts Receivable**” shall mean all Accounts and all right, title and interest in any returned goods, together with all rights, titles, securities and guarantees with respect thereto, including any rights to stoppage in transit, replevin, reclamation and resales, and all related security interests, liens and pledges, whether voluntary or involuntary, in each case whether now existing or owned or hereafter arising or acquired.

“**Administrative Agent**” shall have the meaning assigned to such term in the preliminary statement.

“**Article 9 Collateral**” shall have the meaning assigned to such term in Section 4.01.

“**Borrower**” shall have the meaning assigned to such term in the preamble.

“**Claiming Guarantor**” shall have the meaning assigned to such term in Section 6.02.

“**Collateral**” shall mean the Article 9 Collateral and the Pledged Collateral.

“**Collateral Agent**” shall have the meaning assigned to such term in the preamble.

“**Commodity Account Control Agreement**” shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s Control with respect to any Commodity Account.

“**Contributing Guarantor**” shall have the meaning assigned to such term in Section 6.02.

“**Control**” shall mean (i) in the case of each Deposit Account, “control,” as such term is defined in Section 9-104 of the UCC, (ii) in the case of any Security Entitlement, “control,” as such term is defined in Section 8-106 of the UCC, (iii) in the case of any Securities Account, “control” as described in Section 9-106 (c) of the UCC and (iv) in the case of any Commodity Contract, “control,” as such term is defined in Section 9-106 of the UCC.

“Control Agreements” shall mean, collectively, the Deposit Account Control Agreements, the Securities Account Control Agreements and the Commodity Account Control Agreements.

“Copyright License” shall mean any written agreement, now or hereafter in effect, granting any right to any third person under any Copyright now or hereafter owned by any Grantor or that such Grantor otherwise has the right to license, or granting any right to any Grantor under any Copyright now or hereafter owned by any third person, and all rights of such Grantor under any such agreement.

“Copyright Security Agreement” means each Copyright Security Agreement among the Grantors, or any of them, and the Collateral Agent, for the benefit of the Secured Creditors, in substantially the form of Exhibit C-3, pursuant to which the Grantors have granted to the Security Agent, for the benefit of the Secured Parties, a security interest in all their respective Copyrights.

“Copyrights” shall mean all of the following: (a) all copyright rights in any work subject to the copyright laws of the United States or any other country, whether as author, assignee, transferee or otherwise, and (b) all registrations and applications for registration of any such copyright in the United States or any other country, including registrations, recordings, supplemental registrations and pending applications for registration in the United States Copyright Office (or any successor office or any similar office in any other country).

“Deposit Account Control Agreement” shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s Control with respect to any Deposit Account.

“Discharge of the Obligations” occurs when the Commitments have terminated or expired and all Obligations (other than indemnification Obligations for which no claims have been made) of all Loan Parties have been paid in full.

“Discharge of the ABL Obligations” shall have the meaning assigned to such term in the Intercreditor Agreement.

“Excluded Assets” shall have the meaning assigned to such term in the Credit Agreement.

“Federal Securities Laws” shall have the meaning assigned to such term in Section 5.04.

“General Intangibles” shall mean all General Intangibles (as defined in the New York UCC), including choses in action and causes of action and all other intangible personal property of any Grantor of every kind and nature (other than Accounts) now owned or hereafter acquired by any Grantor, including all rights and interests in partnerships, limited partnerships, limited liability companies and other unincorporated entities, corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, Hedging Agreements and other agreements), Intellectual Property, goodwill, registrations, franchises, tax refund claims and any letter of credit, guarantee, claim, security

interest or other security held by or granted to any Grantor to secure payment by an Account Debtor of any of the Accounts.

“Grantors” shall mean the Borrower and the Guarantors.

“Guarantors” shall mean Holdings and the Subsidiary Guarantors.

“Holdings” shall have the meaning assigned to such term in the preamble.

“Intellectual Property” shall mean all intellectual and similar property of every kind and nature, including inventions, designs, Patents, Copyrights, Trademarks, Licenses, trade secrets, confidential or proprietary technical and business information, know-how, show-how or other data or information, software and databases and all embodiments or fixations thereof and related documentation, registrations and franchises, and all additions, improvements and accessions to, and books and records describing or used in connection with, any of the foregoing.

“Intercreditor Agreement” shall have the meaning assigned to such term in the Credit Agreement.

“License” shall mean any Patent License, Trademark License, Copyright License or other license or sublicense agreement relating to Intellectual Property to which any Grantor is a party, including those listed on Schedule III.

“New York UCC” shall mean the Uniform Commercial Code as from time to time in effect in the State of New York.

“Notice of Assignment” shall mean a notice of assignment delivered pursuant to the provisions of the Assignment of Claims Act of 1940, 31 U.S.C. § 3727(c), as now and hereafter in effect, or any successor statute.

“Obligations” shall have the meaning assigned to such term in the Credit Agreement

“Patent License” shall mean any written agreement, now or hereafter in effect, granting to any third person any right to make, use or sell any invention on which a Patent, now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, is in existence, or granting to any Grantor any right to make, use or sell any invention on which a Patent, now or hereafter owned by any third person, is in existence, and all rights of any Grantor under any such agreement.

“Patents” shall mean all of the following: (a) all letters patent of the United States or the equivalent thereof in any other country, all registrations and recordings thereof, and all applications for letters patent of the United States or the equivalent thereof in any other country, including registrations, recordings and pending applications in the United States Patent and Trademark Office (or any successor or any similar offices in any other country), and (b) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein.

“Patent Security Agreement” means each Patent Security Agreement among the Grantors, or any of them, and the Collateral Agent, for the benefit of the Secured Creditors, in substantially the form of Exhibit C-2, pursuant to which the Grantors have granted to the Security Agent, for the benefit of the Secured Parties, a security interest in all their respective Patent.

“Perfection Certificate” shall mean a certificate substantially in the form of Exhibit B, completed and supplemented with the schedules and attachments contemplated thereby, and duly executed by a Responsible Officer of each of Holdings and the Borrower.

“Pledged Collateral” shall have the meaning assigned to such term in Section 3.01.

“Pledged Debt Securities” shall have the meaning assigned to such term in Section 3.01.

“Pledged Securities” shall mean any promissory notes, stock certificates or other securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

“Pledged Stock” shall have the meaning assigned to such term in Section 3.01.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Secured Parties” shall have the meaning assigned to such term in the Credit Agreement.

“Securities Account Control Agreement” shall mean a control agreement in a form that is reasonably satisfactory to the Collateral Agent establishing the Collateral Agent’s Control with respect to any Securities Account.

“Security Interest” shall have the meaning assigned to such term in Section 4.01(a).

“Subsidiary Guarantor” shall have the meaning assigned to such term in the Credit Agreement.

“Term Priority Collateral” shall have the meaning assigned to such term in the Intercreditor Agreement.

“Trademark License” shall mean any written agreement, now or hereafter in effect, granting to any third person any right to use any trademark now or hereafter owned by any Grantor or that any Grantor otherwise has the right to license, or granting to any Grantor any right to use any trademark now or hereafter owned by any third person, and all rights of any Grantor under any such agreement.

“Trademark Security Agreement” means each Trademark Security Agreement among the Grantors, or any of them, and the Collateral Agent, for the benefit of the Secured Creditors, in substantially the form of Exhibit C-1, pursuant to which the Grantors have granted to the Security Agent, for the benefit of the Secured Parties, a security interest in all their respective Trademarks.

“Trademarks” shall mean all of the following: (a) all trademarks, service marks, trade names, corporate names, company names, business names trade styles, trade dress, logos, certification marks, fictitious business names, internet domain names and all other source or business identifiers and designs and general intangibles of like nature, whether statutory or common law, whether registered or unregistered, whether now existing or hereafter adopted or acquired, all registrations and recordings thereof, and all registration and recording applications filed in connection therewith, including registrations and registration applications in the United States Patent and Trademark Office (or any successor office) or any similar offices in any State of the United States or any other country or any political subdivision thereof, and all extensions or renewals thereof and (b) all goodwill associated therewith or symbolized thereby.

“Unfunded Advances/Participations” shall mean with respect to the Administrative Agent, the aggregate amount, if any (i) made available to the Borrower on the assumption that each Lender has made its portion of the applicable Borrowing available to the Administrative Agent as contemplated by Section 2.02(d) of the Credit Agreement and (ii) with respect to which a corresponding amount shall not in fact have been returned to the Administrative Agent by the Borrower or made available to the Administrative Agent by any such Lender.

ARTICLE II

Guarantee

SECTION 2.01. **Guarantee.** (a) Each Guarantor unconditionally guarantees, jointly with the other Guarantors and severally, as a primary obligor and not merely as a surety, the punctual payment and performance of the Obligations (whether at the stated maturity, by acceleration, demand or otherwise). Each Guarantor further agrees that the Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Obligation. Each Guarantor waives presentment to, demand of payment from and protest to the Borrower or any other Loan Party of any Obligation, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

(b) If and to the extent required in order for the Obligations of any Guarantor to be enforceable under applicable federal, state and other laws relating to the insolvency of debtors, the maximum liability of such Guarantor hereunder shall be limited to the greatest amount that can lawfully be guaranteed by such Guarantor under such laws, after giving effect to any rights of

contribution, reimbursement and subrogation arising under Article VI. Each Guarantor acknowledges and agrees that (i) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right under such laws to reduce, or request any judicial relief that has the effect of reducing, the amount of its liability under this Agreement, (ii) such Guarantor (as opposed to its creditors, representatives of creditors or bankruptcy trustee, including such Guarantor in its capacity as debtor in possession exercising any powers of a bankruptcy trustee) has no personal right to enforce the limitation set forth in this Section 2.01(b) or to reduce, or request judicial relief reducing, the amount of its liability under this Agreement, and (iii) the limitation set forth in this Section 2.01(b) may be enforced only to the extent required under such laws in order for the such Guarantor's Obligations to be enforceable under such laws and only by or for the benefit of a creditor, representative of creditors or bankruptcy trustee of such Guarantor or other Person entitled, under such laws, to enforce the provisions thereof.

(c) Each Guarantor agrees that the Borrower's Obligations may at any time and from time to time be incurred or permitted in an amount exceeding the maximum liability of such Guarantor under Section 2.01(b) without impairing the validity or enforceability of the guaranty contained in this Article II and without affecting the claims, interests, rights and remedies of any Secured Party hereunder.

(d) The guaranty contained in this Article II shall remain in full force and effect until Discharge of the Obligations, notwithstanding that from time to time during the term of the Credit Agreement, the Borrower may be free from any Obligations.

SECTION 2.02. *Guarantee of Payment.* Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due and not of collection, and waives any right to require that any resort be had by the Collateral Agent or any other Secured Party to any security held for the payment of the Obligations or to any balance of any Deposit Account or credit on the books of the Collateral Agent or any other Secured Party in favor of the Borrower or any other person.

SECTION 2.03. *No Limitations, Etc.* (a) Except for termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, impairment of or failure to perfect, surrender, alteration or compromise, and shall not be subject to any defense (other than a defense of payment or performance) or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by (i) the failure of the Collateral Agent or any other Secured Party to assert any claim or demand or to enforce any right or remedy under the provisions of any Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Agreement (other than the termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15), (iii) the release of any security held by the Collateral Agent or any other Secured Party for the Obligations or any of them (other than the termination of a Guarantor's obligations hereunder as expressly provided in Section 7.15 or a release of any such security pursuant to the Loan Documents), (iv) any default, failure or delay, willful or otherwise, in the performance of the Obligations, or (v) any other act or omission that may or might in any manner or to any extent

vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the Discharge of the Obligations). Each Guarantor expressly authorizes the Collateral Agent to take and hold security for the payment and performance of the Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and, subject to the terms hereof, direct the order and manner of any sale thereof in its sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Obligations, all without affecting the obligations of any Guarantor hereunder.

(b) To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of the Borrower or any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Loan Party, other than the Discharge of the Obligations. The Collateral Agent and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with the Borrower or any other Loan Party or exercise any other right or remedy available to them against the Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent that the Discharge of the Obligations has occurred. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against the Borrower or any other Loan Party, as the case may be, or any security.

SECTION 2.04. **Reinstatement.** Each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Obligation is rescinded or must otherwise be restored by the Collateral Agent or any other Secured Party upon the bankruptcy or reorganization of the Borrower, any other Loan Party or otherwise.

SECTION 2.05. **Agreement To Pay; Subrogation.** In furtherance of the foregoing and not in limitation of any other right that the Collateral Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower or any other Loan Party to pay any Obligation when and as the same shall become due, subject to any applicable grace periods set forth in the Credit Agreement, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Collateral Agent for distribution to the applicable Secured Parties in accordance with Section 5.02 hereof, in cash the amount of such unpaid Obligation. Upon payment by any Guarantor of any sums to the Collateral Agent as provided above, all rights of such Guarantor against the Borrower or any other Guarantor arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Article VI.

SECTION 2.06. **Information.** Each Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's and each other Loan Party's financial condition and assets and of all other circumstances bearing upon the risk of nonpayment of the Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that neither the Collateral Agent nor any other Secured Party will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

Pledge of Securities

SECTION 3.01. **Pledge.** As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby assigns and pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest in, all of such Grantor's right, title, interest in, powers, privileges and preferences pertaining or incidental thereto, to and under (a)(i) the Equity Interests owned by such Grantor on the date hereof (including all such Equity Interests listed on Schedule II), (ii) any other Equity Interests obtained in the future by such Grantor and (iii) the certificates representing all such Equity Interests (all the foregoing collectively referred to herein as the "**Pledged Stock**"); *provided, however*, that the Pledged Stock shall not include more than 65% of the issued and outstanding voting Equity Interests of any Foreign Subsidiary to the extent the pledge of any greater percentage would reasonably be expected to result in adverse tax consequences to the Holdings and its Subsidiaries, taken as a whole, (b)(i) the debt securities held by such Grantor on the date hereof (including all such debt securities listed opposite the name of such Grantor on Schedule II), (ii) any debt securities in the future issued to such Grantor and (iii) the promissory notes and any other instruments evidencing such debt securities (all the foregoing collectively referred to herein as the "**Pledged Debt Securities**"), (c) all other property that may be delivered to and held by the Collateral Agent pursuant to the terms of this Section 3.01, (d) subject to Section 3.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of, the securities referred to in clauses (a) and (b) above, (e) subject to Section 3.06, all rights and privileges of such Grantor with respect to the securities and other property referred to in clauses (a), (b), (c) and (d) above, and (f) all Proceeds of any of the foregoing (the items referred to in clauses (a) through (f) above being collectively referred to as the "**Pledged Collateral**"). Notwithstanding anything herein to the contrary, in no event shall the security interest granted hereunder attach to, and the term "Pledged Collateral" shall not include any, Excluded Assets.

SECTION 3.02. **Delivery of the Pledged Collateral.** (a) Subject to the limitations set forth below, each Grantor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all certificates, instruments or other documents representing or evidencing Pledged Securities; *provided that*, notwithstanding anything contained in this Section 3.02 or elsewhere in this Agreement, (a) to the extent that the provisions of this Agreement require the delivery of, or granting of control over, or giving notice with respect to any ABL Priority Collateral to the Collateral Agent, then delivery of such Collateral (or control or notice with respect thereto) shall instead be made to the ABL Agent, to be held in accordance with ABL Documents and the Intercreditor Agreement, and any Grantor's obligations hereunder with respect to such delivery, control or notice shall be deemed satisfied, and (b) at all times prior to the Discharge of ABL Obligations or any Permitted Refinancing Indebtedness in respect of the ABL Credit Agreement, the Collateral Agent is authorized by the parties hereto to effect transfers of such Collateral at any time in its possession (and any "control" or similar agreements with respect to such Collateral) to the ABL Agent.

(b) Each Grantor agrees promptly to deliver or cause to be delivered to the Collateral Agent any and all Pledged Debt Securities with a face value in excess of (i) individually, \$250,000 or (ii) in the aggregate, \$500,000.

(c) Upon delivery to the Collateral Agent, (i) any certificate, instrument or document representing or evidencing Pledged Securities required to be delivered pursuant to paragraphs (a) and (b) of this Section 3.02 shall be accompanied by undated stock powers duly executed in blank or other undated instruments of transfer satisfactory to the Collateral Agent and duly executed in blank and (ii) all other property comprising part of the Pledged Collateral shall be accompanied by proper instruments of assignment satisfactory to the Collateral Agent and duly executed by the applicable Grantor. Each delivery of Pledged Securities shall be accompanied by a schedule describing the applicable securities, which schedule shall be attached hereto as Schedule II and made a part hereof; *provided* that failure to attach any such schedule hereto shall not affect the validity of the pledge of such Pledged Securities. Each schedule so delivered shall supplement any prior schedules so delivered.

SECTION 3.03. Representations, Warranties and Covenants. The Grantors jointly and severally represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) As of the Closing Date, Schedule II (as the same may be amended from time to time) correctly sets forth the percentage of the issued and outstanding shares of each class of the Equity Interests of the issuer thereof represented by such Pledged Stock and includes all Equity Interests, debt securities and promissory notes required to be pledged hereunder;

(b) the Pledged Stock and Pledged Debt Securities (with respect to any Pledged Stock or Pledged Debt Securities not issued by a Loan Party or a Subsidiary thereof to the best of such Grantor's knowledge) have been duly and validly authorized and issued by the issuers thereof and (i) in the case of Pledged Stock, are fully paid and nonassessable and (ii) in the case of Pledged Debt Securities, are legal, valid and binding obligations of the issuers thereof, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principals of equity, regardless of whether considered in a proceeding in equity or at law;

(c) except for the security interests granted hereunder (or the Liens permitted under Section 6.02 of the Credit Agreement), each Grantor (i) is and, subject to any transfers made in compliance with the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on Schedule II as owned by such Grantor, (ii) holds the same free and clear of all Liens, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than any of the foregoing made in compliance with the Credit Agreement, and (iv) subject to Section 3.06, will cause any and all Pledged Collateral, whether for value paid by such Grantor or otherwise, to be forthwith deposited with the Collateral Agent and pledged or assigned hereunder;

(d) except for restrictions and limitations imposed by the Loan Documents, securities laws generally or except to the extent permitted under Section 6.06(b) of the Credit Agreement, the Pledged Collateral is and will continue to be freely transferable and assignable, and none of the Pledged Collateral is or will be subject to any option, right of first refusal, shareholders agreement, charter or by-law provisions or any contractual restriction of any nature, that might prohibit, impair, delay or otherwise affect the pledge of such Pledged Collateral hereunder, the sale or disposition thereof pursuant hereto or the exercise by the Collateral Agent of rights and remedies hereunder;

(e) each Grantor (i) has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated and (ii) will defend its title or interest thereto or therein against any and all Liens (other than any Lien created or permitted by the Loan Documents), however arising, of all persons whomsoever;

(f) no consent or approval of any Governmental Authority, any securities exchange or any other person was or is necessary to the validity of the pledge effected hereby (other than (i) such as have been obtained and are in full force and effect and (ii) filing of Uniform Commercial Code financing statements);

(g) by virtue of the execution and delivery by each Grantor of this Agreement, when any Pledged Securities (accompanied by undated stock powers duly executed in blank or other undated instruments of transfer satisfactory to the Collateral Agent and duly executed in blank) are delivered to the Collateral Agent in accordance with this Agreement and upon completion of the filing of Uniform Commercial Code financing statements in each governmental, municipal or other office specified on Schedule 3.18(a) to the Credit Agreement (or specified by notice from the Borrower to the Administrative Agent after the Closing Date in the case of filings required by Sections 5.06 or 5.12 of the Credit Agreement), the Collateral Agent will obtain a legal, valid and perfected lien upon and security interest in such Pledged Securities as security for the payment and performance of the Obligations and, subject to the Intercreditor Agreement, such lien and security interest will be prior to all other Liens on such Pledged Securities except for unrecorded Liens permitted by the Credit Agreement which have priority over the Liens on such Pledged Securities by operation of law; and

(h) the pledge effected hereby is effective to vest in the Collateral Agent, for the ratable benefit of the Secured Parties, the rights of the Collateral Agent in the Pledged Collateral as set forth herein and, subject to Section 5.15 of the Credit Agreement, all action by any Grantor necessary or desirable to perfect the Lien on the Pledged Collateral has been duly taken.

SECTION 3.04. *Certification of Limited Liability Company Interests and Limited Partnership Interests.* Each interest in any limited liability company or limited partnership which is a Subsidiary of Holdings (including, without limitation, the Borrower) and pledged hereunder is not a security pursuant to Section 8-103 of the UCC, and the applicable Grantor shall not take any action that causes such interest to be a security under such Section or any other Applicable Law unless, substantially concurrently therewith, such Grantor causes the issuer thereof to issue to it certificates or instruments evidencing such interest and taking all actions required by Section 3.02 with respect to such interests, and the applicable Grantor shall cause the issuer of such interest to elect to treat such interests as a “security” within the meaning of Article 8 of the New York UCC (as well as under the UCC of the state of organization of such Subsidiary and any other applicable jurisdiction) and shall be governed by Article 8 of the New York UCC.

SECTION 3.05. *Registration in Nominee Name; Denominations.* The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in its own name as pledgee, in the name of its nominee (as pledgee or as sub-agent) or in the name of the applicable Grantor, endorsed or assigned in blank or in favor of the Collateral Agent. Upon request, each Grantor will promptly give to the Collateral Agent copies of any material notices or other communications received by it with

respect to the Pledged Securities in its capacity as the registered owner thereof. In addition, upon the occurrence and during the continuance of an Event of Default, the Collateral Agent shall at times have the right to exchange the certificates representing Pledged Securities for certificates of smaller or larger denominations for any purpose consistent with this Agreement.

SECTION 3.06. Voting Rights; Dividends and Interest, Etc. (a) Unless and until an Event of Default shall have occurred and be continuing and the Collateral Agent shall have notified the Grantors of its intent to exercise its rights under this Agreement (which notice shall be deemed to have been given immediately upon the occurrence of an Event of Default under paragraph (g) or (h) of Article VII of the Credit Agreement):

(i) Each Grantor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Securities or any part thereof for any purpose consistent with the terms of this Agreement, the Credit Agreement and the other Loan Documents.

(ii) The Collateral Agent shall execute and deliver to each Grantor, or cause to be executed and delivered to each Grantor, all such proxies, powers of attorney and other instruments as such Grantor may reasonably request for the purpose of enabling such Grantor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (i) above.

(iii) Each Grantor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Securities to the extent and only to the extent that such dividends, interest, principal and other distributions are permitted by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Loan Documents and applicable law; *provided, however*, that any noncash dividends, interest, principal or other distributions that would constitute Pledged Stock or Pledged Debt Securities, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities or received in exchange for Pledged Securities 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 become part of the Pledged Collateral, and, if received by any Grantor, shall not be commingled by such Grantor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the ratable benefit of the Secured Parties and shall be forthwith delivered to the Collateral Agent in the same form as so received (with any necessary endorsement or instrument of assignment).

(b) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have given the Grantors prior written notice which notice shall be deemed to have been given immediately upon the occurrence of an Event of Default under paragraph (g) or (h) of Article VII of the Credit Agreement) of the suspension of their rights under paragraph (a)(iii) of this Section 3.06, then all rights of any Grantor to dividends, interest, principal or other distributions that such Grantor is authorized to receive pursuant to paragraph (a)(iii) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions. All dividends, interest, principal or other distributions received by any Grantor contrary to the provisions of this Section 3.06 shall be held in trust for the

benefit of the Collateral Agent, shall be segregated from other property or funds of such Grantor and shall be forthwith delivered to the Collateral Agent upon demand in the same form as so received (with any necessary endorsement or instrument of assignment). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 5.02. After all Events of Default have been cured or waived and each applicable Grantor has delivered to the Administrative Agent certificates to that effect, the Collateral Agent shall, promptly after all such Events of Default have been cured or waived, repay to each applicable Grantor (without interest) all dividends, interest, principal or other distributions that such Grantor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 3.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default, after the Collateral Agent shall have notified the Grantors (or shall be deemed to have given notice pursuant to Section 3.06(a)) of its intent to exercise its rights under this Agreement, then all rights of any Grantor to exercise the voting and consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 3.06 shall cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 3.06 shall cease; *provided* that unless otherwise directed by the Required Lenders, the Collateral Agent shall have the right from time to time following, and during the continuance of an Event of Default, to permit the Grantors to exercise such rights.

(d) Any notice given by the Collateral Agent to the Grantors exercising its rights under paragraph (a) of this Section 3.06 (i) may be given by telephone, if promptly confirmed in writing, (ii) may be given to one or more of the Grantors at the same or different times and (iii) may suspend the rights of the Grantors under paragraph (a)(i) or paragraph (a)(iii) in part without suspending all such rights (as specified by the Collateral Agent in its sole and absolute discretion) and without waiving or otherwise affecting the Collateral Agent's rights to give additional notices from time to time suspending other rights so long as an Event of Default has occurred and is continuing.

ARTICLE IV

Security Interests in Personal Property

SECTION 4.01. ***Security Interest.*** (a) As security for the payment or performance, as the case may be, in full of the Obligations, each Grantor hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a security interest (the "***Security Interest***"), in all right, title or interest in or to any and all of the property of such Grantor 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 "***Article 9 Collateral***"), including:

- (i) all Accounts;
- (ii) all Chattel Paper;

- (iii) all cash and Deposit Accounts;
- (iv) all Documents;
- (v) all Equipment;
- (vi) all General Intangibles, including all Intellectual Property and Licenses;
- (vii) all Instruments;
- (viii) all Inventory;
- (ix) all Investment Property;
- (x) all Letter-of-Credit Rights;
- (xi) all Commercial Tort Claims described on Schedule IV;
- (xii) all books and records pertaining to the Article 9 Collateral; and
- (xiii) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing;

provided, however, that notwithstanding anything to the contrary in this Agreement, this Agreement shall not constitute, and the term Article 9 Collateral shall not include, a grant of a security interest in any stock excluded from the definition of “Pledged Stock” or Excluded Assets.

(b) Each Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings) with respect to the Collateral or any part thereof and amendments thereto that (i) indicate the Collateral as “all assets” of such Grantor or words of similar effect, and (ii) contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (A) whether such Grantor is an organization, the type of organization and any organizational identification number issued to such Grantor and (B) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Article 9 Collateral relates. Each Grantor agrees to provide such information to the Collateral Agent promptly upon request.

Each Grantor also ratifies its authorization for the Collateral Agent to file in any relevant jurisdiction any initial financing statements or amendments thereto if filed prior to the date hereof.

Each Grantor hereby further authorizes the Collateral Agent to execute and/or file with the United States Patent and Trademark Office or United States Copyright Office (or any successor office or any similar office in any other country) such documents as may be necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Grantor (including without limitation the Copyright Security Agreement, the Patent Security Agreement and the Trademark Security Agreement), naming any

Grantor or the Grantors as debtors and the Collateral Agent as secured party, and each Grantor agrees to execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request for purposes of the foregoing.

(c) The Security Interest is 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 Article 9 Collateral.

(d) Notwithstanding anything to the contrary contained in this Section 4 or elsewhere in this Agreement, each Grantor and the Collateral Agent (on behalf of the Secured Parties) acknowledges and agrees that:

(a) the Security Interests granted pursuant to this Agreement (including pursuant to this Section 4) to the Collateral Agent for the benefit of the Secured Parties (i) in the Term Priority Collateral, shall be a first priority lien and (ii) in the ABL Priority Collateral, shall be a second priority lien, fully junior, subordinated and subject to the security interest granted to the ABL Agent for the benefit of the ABL Secured Parties in the ABL Priority Collateral on the terms and conditions set forth in the ABL Documents and the Intercreditor Agreement, and all other rights and benefits afforded hereunder to the Secured Parties with respect to the ABL Priority Collateral are expressly subject to the terms and conditions of the Intercreditor Agreement; and

(b) each of the ABL Secured Parties' security interest in the Collateral constitute security interests separate and apart (and of a different class and claim) from the Secured Parties' Security Interest in the Collateral.

(e) NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE RELATIVE RIGHTS AND REMEDIES OF THE COLLATERAL AGENT AND THE SECURED PARTIES HEREUNDER SHALL BE SUBJECT TO AND GOVERNED BY THE TERMS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE TERMS HEREOF AND THE TERMS OF THE INTERCREDITOR AGREEMENT, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL CONTROL AT ANY TIME THE INTERCREDITOR AGREEMENT IS IN EFFECT.

(f) All rights of the Collateral Agent hereunder, the Security Interest in the Collateral and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (i) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (ii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument, (iii) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations or (iv) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement (other than a defense of payment or performance).

(g) Notwithstanding anything herein to the contrary, in no event shall the security interest granted hereunder attach to, and the term "Article 9 Collateral" shall not include, any Excluded Assets.

SECTION 4.02. **Representations and Warranties.** The Grantors jointly and severally represent and warrant to the Collateral Agent and the Secured Parties that:

(a) Each Grantor has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest (except for minor irregularities or deficiencies in title that, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect) and has full power and authority to grant to the Collateral Agent, for the ratable benefit of the Secured Parties, the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the requisite corporate (or other organizational) and, if required, equity-holder consent or approval of any other person other than any consent or approval that has been obtained and remains in effect.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein (including (x) the exact legal name of each Grantor and (y) the jurisdiction of organization of each Grantor) is correct and complete as of the Closing Date. Uniform Commercial Code financing statements (including fixture filings, as applicable) or other appropriate filings, recordings or registrations containing a description of the Article 9 Collateral have been prepared by the Collateral Agent based upon the information provided to the Administrative Agent and the Secured Parties in the Perfection Certificate for filing in each governmental, municipal or other office specified in Schedule 3.19(a) to the Credit Agreement (or specified by notice from the Borrower to the Administrative Agent after the Closing Date in the case of filings, recordings or registrations required by Sections 5.06 or 5.12 of the Credit Agreement), which are all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and the United States Copyright Office in order to perfect the Security Interest in the Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights) that are necessary to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements. Each Grantor represents and warrants that a fully executed short form hereof and/or a fully executed Trademark Security Agreement, Patent Security Agreement or Copyright Security Agreement, in each case, substantially in the form of Exhibit C-1, C-2 or C-3, respectively, or otherwise in form and substance reasonably satisfactory to the Collateral Agent, and containing a description of all Article 9 Collateral consisting of United States Patents and United States registered Trademarks (and Trademarks and Patents for which a United States registration is pending or otherwise applied for) and United States registered Copyrights (and Copyrights for which a United States registration is pending or otherwise applied for), to the extent any such Collateral exists, has been delivered to the Collateral Agent for recording by the United States Patent and Trademark Office and the United States Copyright Office pursuant to 35 U.S.C. §261, 15 U.S.C. §1060 or 17 U.S.C. §205 and the regulations thereunder, as applicable, to protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the ratable benefit of the Secured Parties) in respect of all Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights in which a security

interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof) and its territories and possessions, and other than the Uniform Commercial Code financing statements described in the immediately prior sentence of this Section 4.02(b), no further or subsequent filing, refile, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Article 9 Collateral consisting of United States Patents, Trademarks and Copyrights (or registration or application for registration thereof) acquired or developed after the date hereof).

(c) The Security Interest constitutes (i) a legal and valid security interest in all Article 9 Collateral securing the payment and performance of the Obligations, (ii) subject to the filings described in Section 4.02(b), a perfected security interest in all Article 9 Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) and its territories and possessions pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (iii) a security interest that shall be perfected in all Article 9 Collateral in which a security interest may be perfected upon the receipt and recording of a fully executed short form agreement substantially in the form of Exhibit C hereto with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral, subject to the Intercreditor Agreement and other than Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement that have priority as a matter of law; and

(d) The Article 9 Collateral is owned by the Grantors free and clear of any Lien, except for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. No Grantor has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office, (iii) any notice under the Assignment of Claims Act or (iv) any assignment or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Liens expressly permitted pursuant to Section 6.02 of the Credit Agreement. As of the Closing Date, no Grantor holds any Commercial Tort Claims in an amount reasonably estimated to exceed (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, other than those listed in Schedule IV hereto.

(e) *Additional Representations and Warranties Regarding Patent, Trademark and Copyright Collateral.*

(i) Attached hereto as Schedule III is a true and complete schedule of all issued Patents, Patent applications, Trademark applications and Trademark registrations, owned by each Grantor (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement), including the name of the registered owner and the application/registration number, as applicable, of each issued Patent, Patent application, Trademark application and Trademark registration owned by any

Grantor. Schedule III also sets forth a true and complete schedule of all Copyright registrations and applications owned by each Grantor as of the Closing Date (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement), including the name of the registered owner and the application/registration number of each such Copyright registration and application owned by any Grantor. Schedule III also sets forth a true and complete schedule of all exclusive Licenses and all Licenses that are material to each Grantor's business (other than Licenses for generally available off-the-shelf software) as of the Closing Date (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement). Such Grantor is the sole and exclusive beneficial and record owner of the entire right, title, and interest in and to all Intellectual Property listed as owned by such Grantor as of the Closing Date on Schedule III (and, with respect to such Schedule III as it may be amended or supplemented from time to time pursuant to Section 4.03(b), as of the date of delivery of financials pursuant to Section 5.04(a) of the Credit Agreement), and such Grantor owns, is licensed to use, or otherwise has sufficient rights to use all Intellectual Property necessary for the conduct of its business as currently conducted, except for any such failure to own or possess a license or right to use that could not reasonably be expected to, individually or in the aggregate, impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole. On the date hereof, and to the best of such Grantors knowledge, all material registered Intellectual Property owned by such Grantor is valid, subsisting and, to the best of such Grantor's knowledge, enforceable by and in the name of such Grantor, and has not been abandoned, or allowed to lapse, expire or become dedicated to the public. Such Grantor has performed all necessary acts and has paid all registration, renewal and maintenance fees required to maintain each and every registration and application of material Intellectual Property owned by such Grantor in full force and effect.

(ii) Except as could not reasonably be expected to, individually or in the aggregate, impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole, to the best of such Grantor's knowledge, the use of the Intellectual Property owned by each Grantor and the conduct of such Grantor's business does not infringe on the Intellectual Property rights of any Person. No written claim has been asserted and is pending or, to the best of such Grantor's knowledge, has been threatened, by any Person challenging any Grantor's use of any Intellectual Property, nor does any Grantor know of any valid basis for any such claim, except as could not reasonably be expected to, individually or in the aggregate, impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole.

(iii) Except as set forth in Schedule III, on the date hereof, (a) none of the Intellectual Property owned by any Grantor is the subject of any material licensing agreement pursuant to which such Grantor is the licensor (other than any Intellectual Property license agreements entered into by such Grantor in the ordinary course of business that are not material to such Grantor's business) and

(b) no settlement or consents, covenants not to sue, nonassertion assurances, or releases have been entered into by such Grantor or to which such Grantor is bound adversely affect Grantor's rights to own or use any material Intellectual Property, and such Grantor has not made a previous assignment, sale, transfer or agreement constituting or contemplating a present or future assignment, sale or transfer of any material Intellectual Property owned by such Grantor that has not been terminated or released.

(iv) No holding, decision or judgment has been rendered by any Governmental Authority which limits the validity of (other than office actions issued in the ordinary course of prosecution of any pending applications for Patents or applications for registration of other Intellectual Property), or such Grantor's ownership or rights to use, any Intellectual Property, except, in each case, as could not, individually or in the aggregate, reasonably be expected to impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole.

(v) No action or proceeding is pending, or, to the knowledge of such Grantor, threatened, against any Grantor on the date hereof seeking to limit the validity of any Intellectual Property owned by any Grantor or any Grantor's ownership interest therein or right to register the same (other than office actions issued in the ordinary course of prosecution of any pending applications for Patents or applications for registration of other Intellectual Property), which, if adversely determined, could reasonably be expected to impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole, or result in a Material Adverse Effect.

(vi) To the best of such Grantor's knowledge, no third party is infringing upon or misappropriating any rights of such Grantor in any material Intellectual Property owned by such Grantor.

SECTION 4.03. Covenants. (a) Each Grantor agrees to maintain, at its own cost and expense, such complete and accurate records with respect to the Article 9 Collateral owned by it as is consistent with its current practices and in accordance with such prudent and standard practices used in industries that are the same as or similar to those in which such Grantor is engaged, and, at such time or times as the Collateral Agent may reasonably request, promptly to prepare and deliver to the Collateral Agent a duly certified schedule or schedules in form and detail satisfactory to the Collateral Agent showing the identity, amount and location of any and all Article 9 Collateral.

(b) Each year, at the time of delivery of annual financial statements with respect to the preceding fiscal year pursuant to Section 5.04(a) of the Credit Agreement, the Borrower shall deliver to the Collateral Agent a certificate executed by a Responsible Officer of the Borrower identifying in the format of Schedule III all Intellectual Property registrations or applications of any Grantor in existence on the date thereof and not then listed on such Schedules or previously so identified to the Collateral Agent, which Intellectual Property registrations or applications such Grantor would have been required to list on Schedule III pursuant to Section 4.02(e) hereof if owned on the Closing Date.

(c) Each Grantor shall, at its own cost and expense, take any and all commercially reasonable actions necessary or appropriate to defend title to the Article 9 Collateral against all

persons and to defend the Security Interest of the Collateral Agent in the Article 9 Collateral and the priority thereof against any Lien not expressly permitted pursuant to Section 6.02 of the Credit Agreement.

(d) Subject to the limitations set forth herein and in the other Loan Documents, each Grantor agrees, at its own expense, promptly to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent may from time to time reasonably request to obtain, preserve, protect and perfect the Security Interest and the rights and remedies created hereby, including the payment of any fees and Taxes required in connection with the execution and delivery of this Agreement, the granting of the Security Interest and the filing of any financing or continuation statements (including fixture filings) or other documents in connection herewith or therewith. If any amount payable to any Grantor under or in connection with any of the Article 9 Collateral shall be or become evidenced by any promissory note or other instrument having a value in excess of (i) individually, \$250,000 or (ii) in the aggregate, \$500,000 and which is required to be pledged to the Collateral Agent hereunder, such note or instrument shall be promptly pledged and delivered to the Collateral Agent, duly endorsed in a manner satisfactory to the Collateral Agent.

(e) Each Grantor will permit any representatives designated by the Collateral Agent to, as applicable, visit and inspect the Article 9 Collateral, all records related thereto and the premises upon which any of the Article 9 Collateral is located at reasonable times during normal business hours and upon reasonable prior notice, subject to Section 5.07 of the Credit Agreement, and to make extracts from and copies of such records, and permit any representatives designated by the Collateral Agent to discuss the affairs of such Grantor with the officers thereof and independent accountants therefor; *provided* that, excluding any such visits and inspections during the continuation of an Event of Default, the Collateral Agent shall not exercise such rights more often than two times during any calendar year, and such exercises shall be at such Grantor's expense; provided further that upon the occurrence and during the continuance of an Event of Default, the Collateral Agent may do any of the foregoing at the expense of such applicable Grantor at any time without advance notice, and the limitation set forth in the forgoing proviso shall not apply.

(f) At its option, the Collateral Agent may discharge past due Taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not expressly permitted pursuant to Section 5.03 or Section 6.02 of the Credit Agreement, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Grantor fails to do so as required by the Credit Agreement or this Agreement, and each Grantor jointly and severally agrees to reimburse the Collateral Agent on demand for any payment made or any expense incurred by the Collateral Agent pursuant to the foregoing authorization; *provided, however*, that nothing in this paragraph shall be interpreted as excusing any Grantor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Grantor with respect to Taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Loan Documents.

(g) If at any time any Grantor shall take a security interest in any property of an Account Debtor or any other person to secure payment and performance of an Account, such Grantor shall promptly assign such security interest to the Collateral Agent for the ratable benefit of the Secured Parties. Such assignment need not be filed of public record unless necessary to continue the perfected status of the security interest against creditors of and transferees from the Account Debtor or other person granting the security interest.

(h) Each Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(i) No Grantor shall make or permit to be made an assignment, pledge or hypothecation of the Article 9 Collateral or shall grant any other Lien in respect of the Article 9 Collateral or permit any notice to be filed under the Assignment of Claims Act, except, in each case, as expressly permitted by Section 6.02 of the Credit Agreement. No Grantor shall make or permit to be made any transfer of the Article 9 Collateral and each Grantor shall remain at all times in possession or otherwise in control of the Article 9 Collateral owned by it, except as permitted by the Credit Agreement.

(j) No Grantor will, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any Accounts included in the Article 9 Collateral, 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, other than extensions, credits, discounts, compromises, compoundings or settlements granted or made in the ordinary course of business (x) in connection with the compromise or collection thereof or (y) in accordance with such prudent and standard practice used in industries that are the same as or similar to those in which such Grantor is engaged.

(k) Each Grantor, at its own expense, shall maintain or cause to be maintained insurance covering physical loss or damage to the Inventory and Equipment in accordance with the requirements set forth in Section 5.02 of the Credit Agreement. Each Grantor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Grantor's true and lawful agent (and attorney-in-fact) for the purpose, upon the occurrence and during the continuance of an Event of Default, of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Grantor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Grantor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or under the Credit Agreement or to pay any premium in whole or part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of any Grantor hereunder or any Default or Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable. All sums disbursed by the Collateral Agent in connection with this paragraph, including attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Grantors to the Collateral Agent and shall be additional Obligations secured hereby.

SECTION 4.04. *Other Actions.* In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Security Interest in the Article 9 Collateral, each Grantor agrees, in each case at such Grantor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) ***Instruments.*** As of the date hereof (i) no amount payable under or in connection with any of the Collateral is evidenced by any Instrument or Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in Section 9 of the Perfection Certificate and each such Instrument and each such item of Tangible Chattel

Paper, to the extent requested by the Collateral Agent, has been properly endorsed, assigned and delivered to the Collateral Agent, accompanied by undated instruments of endorsement, transfer or assignment duly executed in blank. If any Grantor shall at any time hold or acquire any Instruments with a value greater than (i) individually, \$250,000, or (ii) in the aggregate, \$500,000, such Grantor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such undated instruments of endorsement, transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify.

(b) **Deposit Accounts.** As of the, date hereof it has neither opened nor maintains any Deposit Accounts other than the accounts listed in Section 5 of the Perfection Certificate. For each Deposit Account that any Grantor at any time opens or maintains, such Grantor shall, except to the extent otherwise excused by this paragraph (b) or not required under the ABL Documents, upon the Collateral Agent's request, each Grantor shall obtain an executed and delivered Deposit Account Control Agreement, from each bank maintaining a Deposit Account for such Grantor; *provided, however*, that the Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any instructions or withhold any withdrawal rights pursuant to any such pursuant to any such Deposit Account Control Agreement from any Grantor unless an Event of Default has occurred and is continuing, or, after giving effect to any withdrawal, would occur. The provisions of this paragraph shall not apply to any Deposit Account (i) that is used solely to fund payroll and payroll taxes and other employee wage and benefit payments in the ordinary course of business on a current basis, (ii) Deposit Accounts (other than Deposit Accounts referred to in the foregoing clause (i)) that have an account balance of less than \$250,000 individually and less than \$500,000 in the aggregate for all such Deposit Accounts and (iii) any Deposit Account the balance of which is swept at the end of each Business Day into a Deposit Account subject to a Deposit Account Control Agreement among such Grantor, the depository bank and the Collateral Agent, so long as such daily sweep is not terminated or modified (other than to provide that the balance in such Deposit Account is swept into another Deposit Account subject to a Deposit Account Control Agreement) without the consent of the Collateral Agent.

(c) **Investment Property.** As of the, date hereof it has neither opened nor maintains any Investment Property other than that listed in Section 8 of the Perfection Certificate. Except to the extent otherwise provided in Article III, if any Grantor shall at any time hold or acquire any certificated securities with a value greater than (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, such Grantor shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such undated instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time specify. If any securities now or hereafter acquired by any Grantor are uncertificated and are issued to such Grantor or its nominee directly by the issuer thereof, such Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) cause the issuer to agree that it will comply with instructions from the Collateral Agent as to such securities, without further consent of any Grantor or such nominee, or (ii) arrange for the Collateral Agent to become the registered owner of the securities. If any securities, whether certificated or uncertificated, or other Investment Property now or hereafter acquired by any Grantor are held by such Grantor or its nominee through a Securities Intermediary or Commodity Intermediary, such Grantor shall promptly notify the Collateral Agent thereof and, at the Collateral Agent's request and option such Grantor shall obtain a Securities Account

Control Agreement or Commodities Account Control Agreement from each Securities Intermediary or Commodity Intermediary, as applicable. The Collateral Agent agrees with each Grantor that the Collateral Agent shall not give any Entitlement Orders or instructions or directions to any such issuer, Securities Intermediary or Commodity Intermediary pursuant to such Securities Account Control Agreement or Commodities Account Control Agreement, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by any Grantor, unless an Event of Default has occurred and is continuing, or, after giving effect to any such investment and withdrawal rights would occur. The provisions of this paragraph shall not apply to any Financial Assets credited to a Securities Account for which the Collateral Agent is the Securities Intermediary.

(d) **Electronic Chattel Paper and Transferable Records.** If any Grantor at any time holds or acquires an interest in any Electronic Chattel Paper or any “transferable record”, as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction, with a face value greater than (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, such Grantor shall promptly notify the Collateral Agent thereof and, at the request of the Collateral Agent, shall take such action as the Collateral Agent may request to vest in the Collateral Agent control under New York UCC Section 9-105 of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Grantor that the Collateral Agent will arrange, pursuant to procedures satisfactory to the Collateral Agent and so long as such procedures will not result in the Collateral Agent’s loss of control, for the Grantor to make alterations to the Electronic Chattel Paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Grantor with respect to such Electronic Chattel Paper or transferable record.

(e) **Letter-of-Credit Rights.** If any Grantor is at any time a beneficiary under a letter of credit now or hereafter issued in favor of such Grantor with a face value greater than (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, such Grantor shall promptly notify the Collateral Agent thereof and, at the request and option of the Collateral Agent, such Grantor shall, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) use commercially reasonable efforts to arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the letter of credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of the letter of credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the letter of credit are to be paid to the applicable Grantor unless an Event of Default has occurred or is continuing.

(f) **Commercial Tort Claims.** If any Grantor shall at any time hold or acquire a Commercial Tort Claim in an amount reasonably estimated by such Grantor to exceed (i) individually, \$250,000 or (ii) in the aggregate, \$500,000, the Grantor shall promptly notify the Collateral Agent thereof in a writing signed by such Grantor including a summary description of such claim and grant to the Collateral Agent, for the

ratable benefit of the Secured Parties, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Collateral Agent.

SECTION 4.05. *Covenants Regarding Patent, Trademark and Copyright Collateral.* (a) Each Grantor (x) agrees that it will not and will not permit any of its licensees to do any act, or omit to do any act, whereby any Patent that is owned by such Grantor and is material to the conduct of such Grantor's business may become invalidated or dedicated to the public (except as a result of expiration of such patent at the end of its statutory term or abandonment or other disposition of such patent that is in the reasonable judgment of Grantor, no longer economically practicable to maintain or material in the conduct of the business of Grantor taken as a whole), and (y) agrees that it has marked and shall continue to mark any products covered by a Patent with the relevant patent number as necessary or advisable to preserve its rights under applicable patent laws, in accordance with such prudent and standard practice used in industries that are the same as or similar to those in which such Grantor is engaged.

(b) Each Grantor will, for each Trademark that is owned by such Grantor and material to the conduct of such Grantor's business, (i) maintain the enforceability of such Trademark, (ii) maintain the quality of products and services offered under such Trademark in substantially the same manner as the date hereof, (iii) display such Trademark with notice of Federal or foreign registration to the extent necessary and required to preserve its rights under applicable law and (iv) not knowingly use such Trademark in violation of any third party rights.

(c) Each Grantor will, for each work covered by a material registered Copyright that is owned by such Grantor, use commercially reasonable efforts to continue to publish, reproduce, display, adopt and distribute the work with copyright notices as necessary or advisable to preserve its rights under applicable copyright laws.

(d) Each Grantor shall notify the Collateral Agent promptly if it knows that any Patent, Trademark or Copyright material to the conduct of its business and owned by such Grantor may become abandoned, expired, lapsed, lost or dedicated to the public (other than as a result of abandonment or other disposition that is, in the reasonable judgment of the Grantor, no longer economically practicable to maintain or material in the conduct of the business of the Grantor, taken as a whole), or of any materially adverse determination or development (including the institution of any proceeding in the United States Patent and Trademark Office, United States Copyright Office or any court or similar office of any country) regarding such Grantor's ownership of any Patent, Trademark or Copyright, its right to register the same, or its right to keep and maintain the same.

(e) If a Grantor acquires ownership of any Patent, Copyright or Trademark registration or application or files any application to register any Patent, Trademark or Copyright, within the United States or any other country or political subdivision thereof, at any time following the date hereof, such Grantor shall promptly provide the Collateral Agent with written notice of such acquisition, registration or application (and, in any event, within thirty (30) days following the end of each fiscal quarter in which such Grantor acquires such ownership interest (or such longer period as permitted by the Collateral Agent in its sole discretion)), and, upon request of the Collateral Agent, shall execute and deliver any and all agreements, instruments, documents and papers as the Collateral Agent may reasonably request to evidence the Security Interest in each such Patent, Copyright or Trademark that is the subject of such subsequent acquisition, registration or application. Each Grantor hereby appoints the Collateral Agent as its attorney in fact to execute

(solely after the occurrence and during the continuance of an Event of Default) and file such writings for the foregoing purposes, all acts of such attorney being hereby ratified and confirmed.

(f) Each Grantor will take such steps that are, in the good business judgment of such Grantor, consistent with its past practice in any proceeding before the United States Patent and Trademark Office, United States Copyright Office or any office or agency in any political subdivision of the United States or in any other country or any political subdivision thereof, to maintain and pursue each material application relating to the Patents, Trademarks and/or Copyrights (and to obtain the relevant grant or registration) and to maintain each issued Patent and each registration of the Trademarks and Copyrights that is material to the conduct of any Grantor's business, including timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if consistent with such Grantor's good business judgment, to initiate opposition, interference and cancellation proceedings against third parties unless such Grantor shall have previously determined that such use or the pursuit or maintenance of such Patent, Trademark and/or Copyright is no longer necessary or advisable in the conduct of such Grantor's business and that the loss thereof could not reasonably be expected to impair or interfere in any material respect with the operation of the business conducted by all such Grantors, taken as a whole, in which case such Grantor will give prompt notice of any such abandonment to the Collateral Agent.

(g) In the event that any Grantor knows or has reason to believe that any Article 9 Collateral consisting of a Patent, Trademark or Copyright material to the conduct of any Grantor's business has been infringed, misappropriated, diluted or otherwise violated by a third person, such Grantor promptly shall notify the Collateral Agent and shall, if consistent with such Grantor's good business judgment, take such actions as such Grantor deems reasonable and appropriate under the circumstances to protect or enforce such Article 9 Collateral including, without limitation, to sue for infringement, misappropriation, dilution or other violation, to seek an injunction against such infringement, misappropriation, dilution or other violation, and to recover any and all damages for such infringement, misappropriation, dilution or other violation.

(h) Upon the occurrence and during the continuance of an Event of Default, each Grantor shall upon request of the Collateral Agent use its best efforts to obtain all requisite consents or approvals by the licensor of each material Copyright License, material Patent License or material Trademark License, and each other material License, to effect the assignment of all such Grantor's right, title and interest thereunder to the Collateral Agent, for the ratable benefit of the Secured Parties, or its designee; provided that, notwithstanding anything to the contrary herein, no Grantor shall be required to make any payments to secure such consent or approval.

ARTICLE V

Remedies

SECTION 5.01. ***Remedies Upon Default.*** Upon the occurrence and during the continuance of an Event of Default, each Grantor agrees to deliver each item of Collateral to the Collateral Agent on demand, and it is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times and that each Grantor will cooperate with the Collateral Agent by undertaking such actions and executing and delivering to the Collateral Agent such agreements, instruments, documents and papers as the Collateral Agent may reasonably request in order to effectuate the following:

(a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become

an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Grantor to the Collateral Agent or its designee, or to become a license or sublicense, whether general, special or otherwise, and whether on an exclusive or nonexclusive basis, of any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing arrangements to the extent the waivers cannot be obtained), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights afforded to a secured party under the Uniform Commercial Code or other applicable law. Without limiting the generality of the foregoing, each Grantor agrees that the Collateral Agent shall have the right, subject to the mandatory requirements of applicable law, to sell or otherwise dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. 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 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 such 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 appraisal which such Grantor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. For the avoidance of doubt, each of the Grantors party hereto and each of the Secured Parties, by their acceptance of the benefits of this Agreement, agree, to the fullest extent permitted by applicable law, that the Collateral Agent 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 sale or foreclosure proceeding in respect of the Collateral, including without limitation, sales occurring pursuant to Section 363 of the Bankruptcy Code or included as part of any plan subject to confirmation under Section 1129(b)(2)(A)(iii) of the Bankruptcy Code, 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 foreclosure proceeding, as applicable.

The Collateral Agent shall give each applicable Grantor 10 days' written notice (which each Grantor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In case any sale of all or any part of the Collateral is made on credit or for future

delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in case any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in case of any such failure, such Collateral may be sold again upon like notice. At any public (or, to the extent permitted by law, private) sale made pursuant to this Agreement, any Secured Party may bid for or purchase, free (to the extent permitted by applicable law) from any right of redemption, stay, valuation or appraisal on the part of any Grantor (all said rights being also hereby waived and released to the extent permitted by applicable law), the Collateral or any part thereof offered for sale and may make payment on account thereof by using any claim then due and payable to such Secured Party from any Grantor as a credit against the purchase price, and such Secured Party may, upon compliance with the terms of sale, hold, retain and dispose of such property without further accountability to any Grantor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Grantor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 5.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

SECTION 5.02. **RESERVED.**

SECTION 5.03. **Grant of License to Use Intellectual Property.** For the purpose of enabling the Collateral Agent to exercise rights and remedies under this Agreement at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants (subject to the following sentence) to the Collateral Agent an irrevocable (during the continuance of an Event of Default), worldwide, nonexclusive license (exercisable without payment of royalty or other compensation to the Grantors), to use, license or sublicense any of the Article 9 Collateral consisting of Intellectual Property now owned or hereafter acquired by such Grantor, and wherever the same may be located, and including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof, subject, in the case of Trademarks, to the observance of standards of quality and inspection in connection with the use of such Trademarks as are sufficient to maintain the validity and enforceability of such Trademarks. Such use, license or sublicense by the Collateral Agent may be exercised, at the option of the Collateral Agent, only upon the occurrence and during the continuation of an Event of Default; *provided, however,* that any license, sublicense or other transaction entered into by the Collateral Agent in accordance herewith shall be binding upon each Grantor notwithstanding any subsequent cure of an Event of Default.

SECTION 5.04. **Securities Act, Etc.** In view of the position of the Grantors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the U.S. Securities Act of 1933, as now or hereafter in effect, or any similar statute hereafter enacted analogous in purpose or effect (such Act and any such similar statute as

from time to time in effect being called the “**Federal Securities Laws**”) with respect to any disposition of the Pledged Collateral permitted hereunder. Each Grantor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to dispose of all or part of the Pledged Collateral under applicable “blue sky” or other state securities laws or similar laws analogous in purpose or effect. Each Grantor recognizes that in light of such restrictions and limitations the Collateral Agent may, with respect to any sale of the Pledged Collateral, limit the purchasers to those who will agree, among other things, to acquire such Pledged Collateral for their own account, for investment, and not with a view to the distribution or resale thereof. Each Grantor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, in its sole and absolute discretion (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws and (b) may approach and negotiate with a limited number of potential purchasers (including a single potential purchaser) to effect such sale. Each Grantor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a limited number of purchasers (or a single purchaser) were approached. The provisions of this Section 5.04 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

ARTICLE VI

Indemnity, Subrogation and Subordination

SECTION 6.01. ***Indemnity and Subrogation.*** In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6.03), the Borrower agrees that (a) in the event a payment shall be made by any Guarantor under this Agreement, the Borrower shall indemnify such Guarantor for the full amount of such payment and such Guarantor shall be subrogated to the rights of the person to whom such payment shall have been made to the extent of such payment and (b) in the event any assets of any Guarantor shall be sold pursuant to this Agreement or any other Security Document to satisfy in whole or in part an obligation of any Secured Party, the Borrower shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

SECTION 6.02. ***Contribution and Subrogation.*** Each Guarantor (each, a “**Contributing Guarantor**”) agrees (subject to Section 6.03) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Obligation, or assets of any other Guarantor shall be sold pursuant to any Security Document to satisfy any Obligation owed to any Secured Party, and such other Guarantor (the “**Claiming Guarantor**”) shall not have been fully indemnified by the Borrower as provided in Section 6.01, the Contributing Guarantor shall

indemnify the Claiming Guarantor in an amount equal to (i) the amount of such payment or (ii) the greater of the book value or the fair market value of such assets, as the case may be, in each case multiplied by a fraction of which the numerator shall be the net worth of the Contributing Guarantor on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 7.16, the date of the supplement hereto executed and delivered by such Guarantor). Any Contributing Guarantor making any payment to a Claiming Guarantor pursuant to this Section 6.02 shall be subrogated to the rights of such Claiming Guarantor under Section 6.01 to the extent of such payment.

SECTION 6.03. **Subordination.** (a) Notwithstanding any provision of this Agreement to the contrary, all rights of the Guarantors under Sections 6.01 and 6.02 and all other rights of indemnity, contribution or subrogation under applicable law or otherwise shall be fully subordinated to the indefeasible payment in full in cash of the Obligations (other than indemnification Obligations for which no claims have been made). No failure on the part of the Borrower or any Guarantor to make the payments required by Sections 6.01 and 6.02 (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of any Guarantor with respect to its obligations hereunder, and each Guarantor shall remain liable for the full amount of its obligations hereunder.

(b) The Borrower and each Guarantor hereby agree that all Indebtedness and other monetary obligations owed by it to the Borrower or any Subsidiary shall be fully subordinated to the indefeasible payment in full in cash of the Obligations (other than indemnification Obligations for which no claims have been made).

ARTICLE VII

Miscellaneous

SECTION 7.01. **Notices.** All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to any Subsidiary Guarantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 7.02. **Security Interest Absolute.** All rights of the Collateral Agent hereunder, the Security Interest, the grant of a security interest in the Pledged Collateral and all obligations of each Grantor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of the Credit Agreement, any other Loan Document, any agreement with respect to any of the Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Loan Document or any other agreement or instrument relating to the foregoing, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Obligations, or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Grantor in respect of the Obligations or this Agreement (other than the defense of performance or payment in full).

SECTION 7.03. **Survival of Agreement.** All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments prepared or delivered in connection with or pursuant to this Agreement or any other Loan Document shall be considered to have been relied upon by the Lenders shall survive the execution and delivery of the Loan Documents and the making of any Loans, regardless of any investigation made by any Lender or on their behalf and notwithstanding that the Collateral Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended under the Credit Agreement, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under any Loan Document is outstanding and unpaid and so long as the Commitments have not expired or terminated.

SECTION 7.04. **Binding Effect; Several Agreement.** This Agreement shall become effective as to any Loan Party when a counterpart hereof executed on behalf of such Loan Party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such Loan Party and the Collateral Agent and their respective successors and assigns, and shall inure to the benefit of such Loan Party, the Collateral Agent and the other Secured Parties and their respective successors and assigns, except that no Loan Party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as expressly contemplated or permitted by this Agreement or the Credit Agreement. This Agreement shall be construed as a separate agreement with respect to each Loan Party and may be amended, modified, supplemented, waived or released with respect to any Loan Party without the approval of any other Loan Party and without affecting the obligations of any other Loan Party hereunder.

SECTION 7.05. **Successors and Assigns.** Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party; and all covenants, promises and agreements by or on behalf of any Grantor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective successors and assigns.

SECTION 7.06. **Collateral Agent's Fees and Expenses; Indemnification.** (a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder as provided in Section 9.05 of the Credit Agreement.

(b) Without limitation of its indemnification obligations under the other Loan Documents, the Borrower, Holdings and each Grantor agree, jointly and severally, to indemnify the the Collateral Agent, each Lender and each Related Party of any of the foregoing Persons (each such Person being called an "**Indemnatee**") against, and to hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including reasonable counsel fees, charges and disbursements, incurred by or asserted against any Indemnatee arising out of, in any way connected with, or as a result of (i) the execution, delivery or performance of this Agreement or any agreement or instrument contemplated hereby or the performance by the parties hereto of their respective obligations hereunder, (ii) any claim, litigation, investigation or proceeding relating to any of the foregoing or to the Collateral, whether or not any Indemnatee is a party thereto (and regardless of whether such matter is initiated by a third party or by the Borrower, any other Loan Party or any of their respective Affiliates), or (iv) any actual or alleged presence or Release of Hazardous Materials on any property currently or formerly owned or operated by the Borrower or any of the Subsidiaries, or any Environmental Liability related in any way to the Borrower or the Subsidiaries; *provided* that such indemnity shall not, as to any

Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted primarily from the gross negligence or willful misconduct of such Indemnitee. To the extent permitted by applicable law, no Grantor shall assert, and each Grantor hereby waives any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Loan or the use of proceeds thereof. Each Grantor acknowledges and agrees that such Grantor shall remain liable to observe and perform all the conditions and obligations to be observed and performed by it under each material contract, agreement or instrument relating to the Article 9 Collateral, all in accordance with the terms and conditions thereof, and each Grantor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(c) Any such amounts payable as provided hereunder shall be additional Obligations secured hereby and by the other Security Documents. The provisions of this Section 7.06 shall remain operative and in full force and effect regardless of the termination of this Agreement or any other Loan Document, the consummation of the transactions contemplated hereby, the repayment of any of the Obligations, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 7.06 shall be payable on written demand therefor and shall bear interest, on and from the date of demand, at the rate specified in Section 2.06(a) of the Credit Agreement.

SECTION 7.07. *Collateral Agent Appointed Attorney-in-Fact.* Each Grantor hereby appoints the Collateral Agent as the attorney-in-fact of such Grantor for the purpose of carrying out the provisions of this Agreement and taking any action and executing any instrument that the Collateral Agent may deem necessary or advisable upon the occurrence and during the continuance of an Event of Default to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Grantor (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof, (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral, (c) to sign the name of any Grantor on any invoice or bill of lading relating to any of the Collateral, (d) to send verifications of Accounts Receivable to any Account Debtor, (e) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral, (f) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral, (g) to notify, or to require any Grantor to notify, Account Debtors to make payment directly to the Collateral Agent, (h) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement in accordance with its terms, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes and (i) upon the occurrence and during the continuance of any Event of Default, to file any Notices of Assignment pursuant to Section 5.01 hereof; provided, however, that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to

the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Grantor for any act or failure to act hereunder, except for their own gross negligence, willful misconduct or bad faith.

SECTION 7.08. **Applicable Law.** THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, ANY CLAIMS SOUNDING IN CONTRACT LAW OR TORT LAW ARISING OUT OF THE SUBJECT MATTER HEREOF) SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK.

SECTION 7.09. **Waivers; Amendment.** (a) No failure or delay by the Collateral Agent, the Administrative Agent or any Lender in exercising any right or power hereunder or under any other Loan Document shall operate as a waiver hereof or 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 Collateral Agent, the Administrative Agent and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 7.09, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Collateral Agent, any Lender may have had notice or knowledge of such Default at the time. No notice or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Collateral Agent and the Loan Party or Loan Parties with respect to which such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 9.08 of the Credit Agreement.

SECTION 7.10. **WAIVER OF JURY TRIAL.** EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS APPLICABLE, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 7.10.

SECTION 7.11. **Severability.** In the event any one or more of the provisions contained in this Agreement or in any other Loan Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). 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 7.12. **Counterparts.** This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original but all of which when taken together shall constitute a single contract, and shall become effective as provided in Section 7.04. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic image transmission (e.g., "PDF" or "TIF" via electronic mail) shall be as effective as delivery of a manually signed counterpart of this Agreement.

SECTION 7.13. **Headings.** Article and Section headings and the Table of Contents 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 7.14. **Jurisdiction; Consent to Service of Process.** (a) Each of the Grantors hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document, or for recognition or enforcement of any judgment, and each of the Loan Parties 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 Loan Parties 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 or any other Loan Document shall affect any right that the Collateral Agent, the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against any Grantor or its properties in the courts of any jurisdiction.

(b) Each of the Loan Parties hereby irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, 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 or any other Loan Document in any court referred to in paragraph (a) of this Section 7.14. Each of the Loan Parties hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each of the parties hereto hereby irrevocably consents to service of process in the manner provided for notices in Section 7.01. Nothing in this Agreement or any other Loan Document will affect the right of any party hereto to serve process in any other manner permitted by law.

SECTION 7.15. **Termination or Release.** (a) This Agreement, the guarantees made herein, the Security Interest, the pledge of the Pledged Collateral and all other security interests granted hereby shall automatically terminate upon the Discharge of the Obligations.

(b) A Subsidiary Guarantor shall automatically be released from its obligations hereunder and the Security Interests created hereunder in the Collateral of such Subsidiary Guarantor shall be automatically released upon the consummation of any transaction permitted by the Credit Agreement as a result of which such Subsidiary Guarantor ceases to be a Subsidiary.

(c) Upon any sale or other transfer by any Grantor of any Collateral that is permitted under the Loan Documents to any Person that is not the Borrower or a Guarantor, or, upon the effectiveness of any approval, authorization, consent or ratification by the Required Lenders pursuant to Section 9.08 of the Credit Agreement, the Security Interest in such Collateral shall be automatically released.

(d) In connection with any termination or release pursuant to paragraph (a), (b) or (c) above, the Collateral Agent shall promptly execute and deliver, as applicable, to any Grantor, at such Grantor's expense, all Uniform Commercial Code termination statements, all releases in connection with all filings made in the United States Patent and Trademark Office, and in the United States Copyright Office and similar documents that such Grantor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 7.15 shall be without recourse to or representation or warranty by the Collateral Agent or any Secured Party. Without limiting the provisions of Section 7.06, the Borrower shall reimburse the Collateral Agent upon demand for all costs and out of pocket expenses, including the reasonable fees, charges and expenses of counsel, incurred by it in connection with any action contemplated by this Section 7.15.

SECTION 7.16. **Additional Subsidiaries.** Any Subsidiary that is required to become a party hereto pursuant to Section 5.12 of the Credit Agreement shall enter into this Agreement as a Subsidiary Guarantor and a Grantor upon becoming such a Subsidiary. Upon execution and delivery by the Collateral Agent and such Subsidiary of a supplement in the form of Exhibit A hereto, such Subsidiary shall become a Subsidiary Guarantor and a Grantor hereunder with the same force and effect as if originally named as a Subsidiary Guarantor and a Grantor herein. The execution and delivery of any such instrument shall not require the consent of any other Loan Party hereunder. The rights and obligations of each Loan Party hereunder shall remain in full force and effect notwithstanding the addition of any new Loan Party as a party to this Agreement.

SECTION 7.17. **Right of Setoff.** If an Event of Default shall have occurred and is continuing, each Secured Party is hereby authorized with the prior written consent of the Collateral Agent at any time and from time to time, except to the extent prohibited by law, to set off and apply any and all Collateral (including any deposits (general or special, time or demand, provisional or final)) at any time held and other obligations at any time owing by such Secured Party to or for the credit or the account of any Grantor against any and all of the obligations of such Grantor now or hereafter existing under this Agreement and the other Loan Documents held by such Secured Party, irrespective of whether or not such Secured Party shall have made any demand under this Agreement or any other Loan Document and although such obligations may be unmatured. The rights of each Secured Party under this Section 7.17 are in addition to other rights and remedies (including other rights of setoff) which such Secured Party may have.

SECTION 7.18. **Keepwell.** Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under this Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 7.18 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 7.18, or otherwise under this Guaranty, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until a Discharge of the Obligations. Each Qualified ECP Guarantor intends that this Section 7.18 constitute, and this Section 7.18 shall

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

SPORTSMAN'S WAREHOUSE, INC.,

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP,

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.,

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE LLC,

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

By: /s/ John D. Toronto

Name: John D. Toronto

Title: Authorized Signatory

By: /s/ Michael Spaight

Name: Michael Spaight

Title: Authorized Signatory

SUBSIDIARY GUARANTORS

Sportsman's Warehouse Southwest, Inc., a California corporation

Minnesota Merchandising Corp., a Minnesota corporation

Pacific Flyway Wholesale, LLC, a Delaware limited liability company

EQUITY INTERESTS

<u>Issuer</u>	<u>Number of Certificate</u>	<u>Registered Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Percentage of Equity Interests</u>
Sportsman's Warehouse, Inc.	1	Sportsman's Warehouse Holdings, Inc.	100 shares of Common Stock	100%
Minnesota Merchandising Corp.	1	Sportsman's Warehouse Holdings, Inc.	100 shares of Common Stock	100%
Sportsman's Warehouse Southwest, Inc.	1	Sportsman's Warehouse, Inc.	100 shares of Common Stock	100%
Pacific Flyway Wholesale, LLC	N/A	Sportsman's Warehouse, Inc.	Percentage Interests	100% of percentage interest

PLEGGED DEBT SECURITIES

None.

COPYRIGHTS OWNED BY SPORTSMAN'S WAREHOUSE, INC.

None.

PATENTS OWNED BY SPORTSMAN'S WAREHOUSE, INC.

None.

TRADEMARKS OWNED BY SPORTSMAN'S WAREHOUSE, INC.

U.S. Trademark Registrations

<u>MARK</u>	<u>REG. DATE</u>	<u>REG. NO.</u>	<u>GRANTOR</u>
SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	10/03/2000	2,390,988	Sportsman's Warehouse, Inc.
VITAL IMPACT	12/14/2004	2,911,265	Sportsman's Warehouse, Inc.
THE GREAT INDOORS FOR THOSE WHO LOVE THE GREAT OUTDOORS	09/27/2005	3,001,204	Sportsman's Warehouse, Inc.
SPORTSMAN'S NEWS and design	02/21/2006	3,060,233	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE EST. 1986 OUTFITTER with design	04/03/2007	3,223,766	Sportsman's Warehouse, Inc.
SPORTSMAN LITE	12/11/2007	3,354,654	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER and design	07/22/2008	3,472,243	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE	09/01/2009	3,675,144	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE and design	12/07/2010	3,886,160	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING · FISHING · CAMPING · RELOADING · OUTERWEAR · FOOTWEAR and design	12/07/2010	3,886,154	Sportsman's Warehouse, Inc.
LOST RIVER	05/23/2006	3,095,578	Sportsman's Warehouse, Inc.
ELK HUNTER	11/14/2006	3,172,144	Sportsman's Warehouse, Inc.
SPORTSMAN'S NEWS THE OFFICIAL	01/01/2013	4,267,214	Sportsman's

<u>MARK</u>	<u>REG. DATE</u>	<u>REG. NO.</u>	<u>GRANTOR</u>
PUBLICATION OF SPORTSMAN'S WAREHOUSE			Warehouse, Inc.

State Trademark Registrations

<u>STATE</u>	<u>MARK</u>	<u>REG. DATE</u>	<u>REG. NO.</u>	<u>GRANTOR</u>
Colorado	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR	02/19/1999	19991032010	Sportsman's Warehouse, Inc.
Colorado	SPORTS WAREHOUSE INC.	02/19/1999	19991032013	Sportsman's Warehouse, Inc.
Washington	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	07/23/2007	51,926	Sportsman's Warehouse, Inc.
Idaho	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	02/08/1999	16237	Sports Warehouse, Inc.
Idaho	SPORTSMAN'S WAREHOUSE	02/08/1999	16236	Sports Warehouse, Inc.
Montana	SPORTSMAN'S WAREHOUSE	05/19/2003	22742	Sports Warehouse, Inc.
Utah	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	01/30/1998 (Renewed 3/19/2008)	UT 37654 2524501- 0190	Sports Warehouse, Inc.

Trade Names

<u>STATE</u>	<u>TRADE NAME</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>GRANTOR</u>
Wyoming	SPORTSMAN'S WAREHOUSE	2000- 000404918	05/25/2000 (Renewed 05/21/2010)	Sports Warehouse, Inc.

<u>STATE</u>	<u>TRADE NAME</u>	<u>REG. NO.</u>	<u>REG. DATE</u>	<u>GRANTOR</u>
Colorado	SPORTSMAN'S WAREHOUSE	19991024660	02/09/1999	Sportsman's Warehouse, Inc.

U.S. Trademark Applications

<u>TRADEMARK</u>	<u>APPLICATION NUMBER</u>	<u>APPLICATION DATE</u>	<u>GRANTOR</u>
TAKE IT OUTSIDE	86/015,232	07/19/2013	Sportsman's Warehouse, Inc.
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING FISHING CAMPING RELOADING CLOTHING FOOTWEAR TAKE IT OUTSIDE	86/015,241	07/19/2013	Sportsman's Warehouse, Inc.
SW	86/004,216	07/08/2013	Sportsman's Warehouse, Inc.
DESIGN (Outline of Mountain Range)	85/727,803	09/13/2012	Sportsman's Warehouse, Inc.
RUSTIC RIDGE	85/721,995	09/06/2012	Sportsman's Warehouse, Inc.

Domain Name Registrations

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
BOYDSSPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	08/02/2010	Sportsman's Warehouse
BOYDSSPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	07/18/2010	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	03/05/2012	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
EMAILSW.COM	Public	GoDaddy.com LLC	10/11/2001	Sportsman's Warehouse
EMAILSW.NET	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
EMAILSW.US	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/27/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
PACIFICFLYWAY.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
RUSTICRIDGE.CO.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICRIDGEOUTFITTERS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICRIDGESPORTS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICSPORTSMANS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTIKRIDGE.COM	Public	GoDaddy.com LLC	09/05/2012	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SMWDEPOT.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWH.NET	Public	GoDaddy.com LLC	05/02/2004	Sportsman's Warehouse
SMWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWSHOP.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SMWSTORE.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	10/22/2004	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.COM	Public	GoDaddy.com LLC	06/28/2002	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.INFO	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.MOBI	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.NET	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.ORG	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.US	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANS.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANS.ORG	Public	GoDaddy.com LLC	10/25/2001	Sportsman's Warehouse

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANS.TV	Public	GoDaddy.com LLC	10/08/2007	Sportsman's Warehouse
SPORTSMANS.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSAVIATION.COM	Public	GoDaddy.com LLC	11/08/2007	Sportsman's Warehouse
SPORTSMANSFISHINGWAREHOUSE.COM	Public	GoDaddy.com LLC	11/10/2011	Sportsman's Warehouse
SPORTSMANSHUNTINGWAREHOUSE.NET	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTSMANSNATION.COM	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNATION.ORG	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNEWS.BIZ	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.COM	Public	GoDaddy.com LLC	03/21/2004	Sportsman's Warehouse
SPORTSMANSNEWS.INFO	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.MOBI	Public	GoDaddy.com LLC	09/17/2008	Sportsman's Warehouse
SPORTSMANSNEWS.NET	Public	GoDaddy.com LLC	12/17/2004	Sportsman's Warehouse
SPORTSMANSNEWS.ORG	Public	GoDaddy.com LLC	06/27/2006	Sportsman's Warehouse
SPORTSMANSNEWS.WS	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	09/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.BIZ	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CC	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	12/21/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NET.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.ORG	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSWAREHOUSE.ORG.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.TV	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.US	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWEARHOUSE.COM	Public	GoDaddy.com LLC	11/27/2005	Sportsman's Warehouse
SPORTSMANSWH.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse
SPORTSMANSWHAREHOUSE.COM	Public	GoDaddy.com LLC	10/30/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/25/2008	Sportsman's Warehouse
SPORTSMANSWHSE.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse
SPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	06/25/2002	Sportsman's Warehouse
SWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
THESPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	01/21/2011	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSHUNTINGWAREHOUSE.COM	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTMANSWEREHOUSE.COM	Public	GoDaddy.com LLC	12/02/2006	Sportsman's Warehouse
SPORTSMAN-WAREHOUSE.COM	Public	GoDaddy.com LLC	09/29/2004	Sportsman's Warehouse
YUKONGOLDOUTFITTERS.COM	Public	GoDaddy.com LLC	09/18/2012	Sportsman's Warehouse

COPYRIGHTS OWNED BY SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

None.

PATENTS OWNED BY SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

None.

TRADEMARKS OWNED BY SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

None.

COPYRIGHTS OWNED BY SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

None.

PATENTS OWNED BY SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

None.

TRADEMARKS OWNED BY SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

None.

COPYRIGHTS OWNED BY MINNESOTA MERCHANDISING CORP.

None.

PATENTS OWNED BY MINNESOTA MERCHANDISING CORP.

None.

TRADEMARKS OWNED BY MINNESOTA MERCHANDISING CORP.

None.

COPYRIGHTS OWNED BY PACIFIC FLYWAY WHOLESAL, LLC

None.

PATENTS OWNED BY PACIFIC FLYWAY WHOLESAL, LLC

None.

TRADEMARKS OWNED BY PACIFIC FLYWAY WHOLESAL, LLC

None.

COMMERCIAL TORT CLAIMS

None.

SUPPLEMENT NO. [—] (this “**Supplement**”) dated as of [—], 20[—] to the Guarantee and Collateral Agreement dated as of November 13, 2012 (the “**Guarantee and Collateral Agreement**”), among SPORTSMAN’S WAREHOUSE, INC., a Utah corporation (the “**Borrower**”), SPORTSMAN’S WAREHOUSE HOLDINGS, INC., a Utah corporation (“**Holdings**”), each Subsidiary of the Borrower from time to time party thereto (each such Subsidiary individually a “**Subsidiary Guarantor**” and collectively, the “**Subsidiary Guarantors**”; the Subsidiary Guarantors, Borrower and Holdings are referred to collectively herein as the “**Grantors**”) and CREDIT SUISSE AG (together with its affiliates, “**Credit Suisse**”), as collateral agent (in such capacity, the “**Collateral Agent**”) for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement dated as of August 20, 2013 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among the Borrower, Holdings, the lenders from time to time party thereto (the “**Lenders**”) and Credit Suisse AG, as administrative agent for the Lenders and as Collateral Agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Guarantee and Collateral Agreement referred to therein, as applicable.

C. The Grantors have entered into the Guarantee and Collateral Agreement in order to induce the Lenders to make Loans. Section 7.16 of the Guarantee and Collateral Agreement provides that additional Subsidiaries may become Subsidiary Guarantors and Grantors under the Guarantee and Collateral Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the “**New Grantor**”) is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Subsidiary Guarantor and a Grantor under the Guarantee and Collateral Agreement in order to induce the Lenders to make additional Loans and as consideration for Loans previously made.

Accordingly, the Collateral Agent and the New Grantor agree as follows:

SECTION 1. In accordance with Section 7.16 of the Guarantee and Collateral Agreement, the New Grantor by its signature below becomes a Grantor and Subsidiary Guarantor under the Guarantee and Collateral Agreement with the same force and effect as if originally named therein as a Grantor and Subsidiary Guarantor and the New Grantor hereby (a) agrees to all the terms and provisions of the Guarantee and Collateral Agreement applicable to it as a Grantor and Subsidiary Guarantor thereunder and (b) represents and warrants that the representations and warranties made by it as a Grantor and Subsidiary Guarantor thereunder are true and correct in all material respects on and as of the date hereof (after giving effect to this Supplement) with the same effect as though made on and as of such date (with all references to “the date hereof” contained in the Guarantee and Collateral Agreement being references to the date of this Supplement with respect to the New Grantor), except to the extent such representations and warranties expressly relate to an earlier date, in which case they shall be true and correct in all material respects as of such earlier date); provided that, in each case, where a representation and warranty is qualified as to materiality or by Material Adverse Effect, the applicable materiality qualifier set forth in clause (b) shall be disregarded for purposes of this condition. In furtherance of the foregoing, the New Grantor, as security for the payment or

performance, as the case may be, in full of the Obligations hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, a Security Interest, in all right, title or interest in or to any and all of the assets and properties 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. Each reference to a "Grantor" or a "Subsidiary Guarantor" in the Guarantee and Collateral Agreement shall be deemed to include the New Grantor. The Guarantee and Collateral Agreement is hereby incorporated herein by reference.

SECTION 2. The New Grantor represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received counterparts of this Supplement that, when taken together, bear the signatures of the New Grantor and the Collateral Agent. Delivery of an executed signature page to this Supplement by facsimile transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Grantor hereby represents and warrants that (a) set forth on Schedule I attached hereto is a true and correct schedule of any and all Equity Interests and Pledged Debt Securities now owned by the New Grantor, (b) set forth on Schedule II attached hereto is a true and correct schedule of any and all Intellectual Property applications or registrations now owned by the New Grantor, (c) set forth on Schedule III attached hereto is a true and correct schedule of any and all Commercial Tort Claims now held by the New Grantor and (d) set forth under its signature hereto, is the true and correct legal name of the New Grantor and its jurisdiction of organization. Such schedules supplement Schedules II, III and IV, respectively, to the Collateral & Guarantee Agreement and shall be deemed a part thereof for all purposes of the Collateral & Guarantee Agreement.

SECTION 5. Except as expressly supplemented hereby, the Guarantee and Collateral Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guarantee and Collateral Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). 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.

SECTION 8. All communications and notices hereunder shall (except as otherwise expressly permitted by the Guarantee and Collateral Agreement) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to the New Grantor shall be given to it in care of the Borrower as provided in Section 9.01 of the Credit Agreement.

SECTION 9. The New Grantor agrees to reimburse the Collateral Agent for its out-of-pocket expenses in connection with this Supplement, including the reasonable fees, other charges and disbursements of counsel for the Collateral Agent (subject to the limitations set forth in Section 9.05 of the Credit Agreement).

IN WITNESS WHEREOF, the New Grantor and the Collateral Agent have duly executed this Supplement to the Guarantee and Collateral Agreement as of the day and year first above written.

[NAME OF NEW SUBSIDIARY],

by _____

Name:
Title:
Address:
Legal Name:
Jurisdiction of Formation:

CREDIT SUISSE AG, as Collateral Agent,

by _____

Name:
Title:

by _____

Name:
Title:

Collateral of the New Grantor

EQUITY INTERESTS

<u>Issuer</u>	<u>Number of Certificate</u>	<u>Registered Owner</u>	<u>Number and Class of Equity Interest</u>	<u>Percentage of Equity Interests</u>

PLEGGED DEBT SECURITIES

<u>Issuer</u>	<u>Principal Amount</u>	<u>Date of Note</u>	<u>Maturity Date</u>

INTELLECTUAL PROPERTY

[Follow format of Schedule III to the Guarantee and Collateral Agreement.]

FORM OF PERFECTION CERTIFICATE

[See attached]

PERFECTION CERTIFICATE

August 20, 2013

Reference is made to the Credit Agreement (the "Term Credit Agreement"), dated as of August 20, 2013, by and among Sportsman's Warehouse, Inc., a Utah corporation, as Borrower, Sportsman's Warehouse Holdings, Inc., a Utah corporation, as Holdings, the lenders from time to time party thereto, and Credit Suisse AG, as administrative agent (in such capacity, the "Term Administrative Agent") and as collateral agent (in such capacity, the "Term Collateral Agent").

Reference is also made to that certain Third Amendment to Credit Agreement (the "ABL Facility Amendment"), dated as of August 20, 2013, by and among the Borrower, as lead borrower, the other Borrowers and Guarantors party thereto, Wells Fargo Bank, National Association, as administrative agent (in such capacity, the "ABL Administrative Agent"), collateral agent (in such capacity, the "ABL Collateral Agent") and swing line lender, and the other lenders party thereto, with respect to the Credit Agreement, dated as of May 28, 2010, by, among others, Borrower, as lead borrower, the other Borrowers and Guarantors party thereto from time to time, the lenders party thereto from time to time, and the ABL Administrative Agent (as amended, restated, supplemented and otherwise modified and in effect from time to time, the "ABL Credit Agreement").

Capitalized terms used but not defined herein have the meanings set forth in the Term Credit Agreement, the Guarantee and Collateral Agreement referred to therein (the "Term Guarantee and Collateral Agreement"), the ABL Credit Agreement or the Security Agreement referred to therein (the "ABL Security Agreement"), as applicable.

The undersigned, a Responsible Officer of each of the Loan Parties, hereby certifies solely in its capacity as an officer of such entities and not in an individual capacity, as of the date hereof, to the Term Administrative Agent, Term Collateral Agent and each other Secured Party (as defined in the Term Guarantee and Collateral Agreement), and to the ABL Administrative Agent, ABL Collateral Agent and each other Credit Party (as defined in the ABL Credit Agreement) as follows:

1. Names.

- (a) Legal Names, Types of Organization, Jurisdictions of Organization and Organizational Identification Numbers. The full and exact legal name (as it appears in each respective certificate or articles of incorporation, limited liability membership agreement or similar organizational documents, in each case as amended to date), the type of organization, the jurisdiction of organization, organizational identification number and tax identification number of each Loan Party are set forth in the table below. Each Loan Party is a registered organization in the jurisdiction of organization indicated:

<u>Name of Loan Party</u>	<u>Type of Organization</u>	<u>Jurisdiction of Organization</u>	<u>State Organizational ID Number</u>	<u>Federal Tax ID Number</u>
Sportsman's Warehouse Holdings, Inc.	Corporation	Utah	1467586-0142	39-1975614
Sportsman's Warehouse, Inc.	Corporation	Utah	991589-0142	87-0452614
Minnesota Merchandising Corp.	Corporation	Minnesota	678698-2	20-0942908
Sportsman's Warehouse Southwest, Inc.	Corporation	California	C2888368	20-5218590
Pacific Flyway Wholesale, LLC	Limited Liability Company	Delaware	4739552	27-1088315

(b) Changes in Names, Jurisdiction of Organization or Corporate Structure. Except as set forth below, no Loan Party has changed its identity or organizational structure in any way within the past five years. Changes in identity or organizational structure would include mergers, consolidations and acquisitions, as well as any change in the legal name or the form, nature or jurisdiction of organization. If any such change has occurred, include below a description of any such changes, the current legal name and any former legal names used by such Loan Party in the past five years as to each acquiree or constituent party to a merger or consolidation.

<u>Name of Loan Party</u>	<u>Description of Change</u>
Sportsman's Warehouse, Inc.	On October 26, 2009, Pacific Flyway Wholesale, Inc. a Utah corporation, merged with and into Sportsman's Warehouse, Inc., the "Surviving Corporation".

(c) Acquisitions of Equity Interests or Assets. Except as set forth below, no Loan Party has acquired substantially all the equity interests or assets of another entity within the past five years:

In March 2013, Sportsman's Warehouse, Inc. acquired from Wholesale Sports USA, Inc. (formerly known as UFA Holdings, Inc.) all assets related to their stores in the United States, which assets were comprised of inventory and fixed assets and, with respect to 10 of the 15 stores, the assumption of property leases. No intellectual property was acquired in this transaction.

(d) Trade Names. The following is a list of all other names (other than names listed in Section 1(b) above), including trade names or similar appellations, used by each Loan Party or any of its divisions or other business units in connection with the conduct of its business or the ownership of its properties at any time during the past five years:

None.

2. Filings. Uniform Commercial Code financing statements attached as Schedule 2A hereto have been prepared for filing in the proper Uniform Commercial Code filing office in the jurisdiction in which each Loan Party is located (within the meaning of Section 9-307 of the New York UCC) and, to the extent any of the collateral is comprised of fixtures, timber to be cut or as extracted collateral from the wellhead or minehead. Set forth below is a schedule of the appropriate filing offices for the filings attached as Schedule 2A and for the filings described in Section 10 below

and attached as Schedule 10A and Schedule 10B hereto. Except as set forth below, no other actions are required to create, preserve, protect and perfect the security interest in the Collateral granted to the Term Collateral Agent, the ABL Collateral Agent and/or the other Secured Parties:

<u>Loan Party</u>	<u>Type of Filing</u>	<u>Filing Office</u>
Sportsman's Warehouse Holdings, Inc.	UCC-1	Utah Department of Commerce, Division of Corporations and Commercial Code
Sportsman's Warehouse, Inc.	UCC-1	Utah Department of Commerce, Division of Corporations and Commercial Code
	USPTO Filing	United States Patent and Trademark Office
Minnesota Merchandising Corp.	UCC-1	Minnesota Secretary of State
Sportsman's Warehouse Southwest, Inc.	UCC-1	California Secretary of State
Pacific Flyway Wholesale, LLC	UCC-1	Delaware Secretary of State

3. File Search Reports. File search reports have been obtained from each Uniform Commercial Code filing office identified with respect to such Loan Party in Section 2 hereof, and such search reports reflect no Liens against any of the Collateral other than those permitted under the Term Credit Agreement and the ABL Credit Agreement.

4. Current Locations.

(a) Chief Executive Offices and Mailing Addresses. The chief executive office address and the preferred mailing address (if different than chief executive office) of each Loan Party are as follows:

<u>Name of Loan Party</u>	<u>Address of Chief Executive Office</u>	<u>Mailing Address</u>
Sportsman's Warehouse Holdings, Inc.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Sportsman's Warehouse, Inc.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Minnesota Merchandising Corp.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Sportsman's Warehouse Southwest, Inc.	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047
Pacific Flyway Wholesale, LLC	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047	7035 S. High Tech Drive, Suite 200 Midvale, Utah 84047

- (b) Set forth below are all the locations where each Loan Party owns or leases any real property and, in the case of any such real property owned in fee, an estimate of the fair market value thereof and the applicable filing offices for such real property. Except as described below, no Loan Party has entered into any leases, subleases, tenancies, franchise agreements, licenses or other occupancy arrangements as owner, lessor, sublessor, licensor, franchisor or Loan Party with respect to any of the real property described below, and no Loan Party has any leases which require the consent of the landlord, tenant or other party thereto to the Transactions:

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse, Inc.	1750 South Greenfield Rd., Mesa, AZ 85206-3481	Maricopa	Store	Leased
Sportsman's Warehouse, Inc.	19205 North 27th Ave., Phoenix, AZ 85027	Maricopa	Store	Leased ²
Sportsman's Warehouse, Inc.	1675 Rocky Mountain Ave., Loveland, CO 80538	Larimer	Store	Leased
Sportsman's Warehouse, Inc.	11 West 84th Ave, Thornton, CO 80260	Adams	Store	Leased
Sportsman's Warehouse, Inc.	921 SE Oralabor Rd., Ankeny, IA 50021	Polk	Store	Leased
Sportsman's Warehouse, Inc.	165 West 7200 South, Midvale, UT 84047	Salt Lake	Store	Leased ³
Sportsman's Warehouse, Inc.	8681 Old Seward Highway, Anchorage, AK 99515	Municipality of Anchorage	Store	Leased
Sportsman's Warehouse, Inc.	423 Merhar Avenue, Fairbanks, AK 99701-3166	Fairbanks North Star Borough	Store	Leased
Sportsman's Warehouse, Inc.	44402 Sterling Highway, Soldotna, AK 99669-8033	Kenai Peninsula Borough	Store	Leased
Sportsman's Warehouse, Inc.	1901 East Parks Highway, Wasilla, AK 99654	Matanuska-Susitna Borough	Store	Leased
Sportsman's Warehouse, Inc.	3945 West Costco Drive, Marana (Tucson), AZ 85741	Pima	Store	Leased
Sportsman's Warehouse Southwest, Inc.	1659 Hilltop Drive, Redding, CA 96002-0240	Shasta	Store	Leased

¹ * indicates property is a chattel paper location.

² This property is also subject to a License Agreement dated September 26, 2012 by and between Sportsman's Warehouse, Inc. and Hot Diggity Dog, a private vendor as Licensee. Licensee operates a hot dog stand on approximately 100 square feet of space upon a portion of the sidewalk serving the property.

³ This property is also subject to a License Agreement dated October 17, 2012, by and between Sportsman's Warehouse, Inc. and Luly's LLC, a Utah limited liability company. Licensee operates a taco stand on the premises.

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse Southwest, Inc. (an assignee of Sportsman's Warehouse, Inc.)	6640 Lonetree Blvd., Rocklin, CA 95765	Placer	Store	Leased
Sportsman's Warehouse, Inc.	555 North Chelton Road, Colorado Springs, CO 80909-5217	El Paso	Store	Leased
Sportsman's Warehouse, Inc.	2464 US Highway 6 & 50, Suite A, Grand Junction, CO 81505	Mesa	Store	Leased
Sportsman's Warehouse, Inc.	2909 South 25th East, Idaho Falls, ID 83405	Bonneville	Store	Leased
Sportsman's Warehouse, Inc.	2002 Thain Grade, Lewiston, ID, 83501-4105	Nez Perce	Store	Leased
Sportsman's Warehouse, Inc.	3797 East Fairview Avenue, Meridian, ID 83642	Ada	Store	Leased
Sportsman's Warehouse, Inc.	16865 North Market Place Blvd., Nampa, ID 83687	Canyon	Store	Leased
Sportsman's Warehouse, Inc.	1940 Bridgeview Blvd., Twin Falls, ID 83301	Twin Falls	Store	Leased
Sportsman's Warehouse, Inc.	2200 War Admiral Way, Suite 140, Lexington, KY 40509	Lexington-Fayette	Store	Leased
Sportsman's Warehouse, Inc.	130 Marathon Way, Southaven, MS 38671	DeSoto	Store	Leased
Sportsman's Warehouse, Inc.	5647 Centennial Center Boulevard, Las Vegas, NV 89149-7104	Clark	Store	Leased
Sportsman's Warehouse, Inc.	3306 Kietzke Lane, Reno, NV 89502	Washoe	Store	Leased
Sportsman's Warehouse, Inc.	1450 Renaissance Blvd. NE, Albuquerque, NM 87107	Bernalillo	Store	Leased
Sportsman's Warehouse, Inc.	4905 E. Main St., Farmington NM 87402-8657	San Juan	Store	Leased
Sportsman's Warehouse, Inc.	1710 Delta Waters Road, Medford, OR 97504	Jackson	Store	Leased
Sportsman's Warehouse, Inc.	476 Piney Grove Road, Columbia, SC 29210	Lexington	Store	Leased
Sportsman's Warehouse, Inc.	6241 Perimeter Drive, Suite 101, Chattanooga, TN 37421	Hamilton	Store	Leased
Sportsman's Warehouse, Inc.	1075 South University Avenue, Provo, UT 84601	Utah	Store	Leased
Sportsman's Warehouse, Inc.	7035 S. High Tech Drive, Suite 200, Midvale, UT 84047	Salt Lake	Headquarters*	Leased

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse, Inc.	1137 West Riverdale Road, Riverdale, UT 84405	Weber	Store	Leased
Sportsman's Warehouse, Inc.	2957 East 850 North, St. George, UT 84790	Washington	Store	Leased
Sportsman's Warehouse, Inc.	9669 South Prosperity Road, West Jordan, UT 84081	Salt Lake	Warehouse	Leased ⁴
Sportsman's Warehouse, Inc.	3550 Ferncliff Avenue N.W., Roanoke, VA 24017	Roanoke	Store	Leased
Sportsman's Warehouse, Inc.	120 31st Avenue SE, Suite G, Puyallup, WA 98374	Pierce	Store	Leased
Sportsman's Warehouse, Inc.	4120 East 2nd Street, Casper, WY 82609-2319	Natrona	Store	Leased
Sportsman's Warehouse, Inc.	3745 East Lincoln Way, Cheyenne, WY 82001	Laramie	Store	Leased
Sportsman's Warehouse, Inc.	41 W. 84th Avenue, Thornton, CO 80260.	Adams	Out parcel	Owned ⁵
Sportsman's Warehouse, Inc.	1443 South Carson Street, Carson City, NV 89701	Carson City	Store	Leased
Sportsman's Warehouse, Inc.	611 Valley Mall Parkway, East Wenatchee, WA 98801	Chelan	Store	Leased
Sportsman's Warehouse, Inc.	18645 NW Tanasbourne Drive, Hillsboro, OR 97124-7129	Washington	Store	Leased
Sportsman's Warehouse, Inc.	91 E 1400 N, Logan, Utah 84341	Cache	Store	Leased
Pacific Flyway Wholesale, LLC	1630 South 5070 West, Salt Lake City, UT 84104	Salt Lake	Warehouse	Leased
	1730 South 5200 West Salt Lake City, UT 84104 ⁶			
Sportsman's Warehouse, Inc.	2214 Tschache Lane, Bozeman, Montana 59715	Gallatin	Store	Leased
Sportsman's Warehouse, Inc.	2990 N. Sanders Road, Helena, Montana 59601	Lewis and Clark	Store	Leased
Sportsman's Warehouse, Inc.	2323 North Reserve Street, Missoula, Montana 59808	Missoula	Store	Leased
Sportsman's Warehouse, Inc.	63492 Hunnell Road, Bend, Oregon 97701	Deschutes	Store	Leased
Sportsman's Warehouse, Inc.	9401 East 82nd Avenue, Portland (Clackamas), Oregon 97222	Multnomah	Store	Leased

⁴ This property is also subject to a Sublease dated September 12, 2012 between Sportsman's Warehouse, Inc. and Integracore, LLC.

⁵ The estimated market value is \$376,768.

⁶ This location is for a powder bunker at the facility, which is part of the lease.

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location¹</u>	<u>Owned or Leased</u>
Sportsman's Warehouse, Inc.	1260 Lancaster Drive SE, Salem, Oregon 97317	Marion	Store	Leased
Sportsman's Warehouse, Inc.	1405 S. 348th Street, Federal Way, Washington 98003	King	Store	Leased
Sportsman's Warehouse, Inc.	6603 West Canal Drive, Kennewick, Washington 99336	Benton	Store	Leased
Sportsman's Warehouse, Inc.	9577 Ridgetop Blvd., N.W., Suite 150, Silverdale, Washington 98383	Kitsap	Store	Leased
Sportsman's Warehouse, Inc.	11505 NE Fourth Plan Road, Vancouver, Washington 98662	Clark	Store	Leased
Sportsman's Warehouse, Inc.	***	Salt Lake	Apartment Lease for CEO	Leased

- (c) Set forth below opposite the name of each Loan Party are all locations where such Loan Party maintains any books or records relating to any Collateral (with each location at which chattel paper, if any, is kept being indicated by an “*”):
See Sections 4(a) and 4(b) above.
- (d) Set forth below opposite the name of each Loan Party are all the locations where such Loan Party maintains any material amount (fair market value of \$250,000 or more) of its tangible personal property of such Loan Party (whether or not in the possession of such Loan Party) not identified in Section 4(a) or 4(b):
None.
- (e) Set forth below opposite the name of each Loan Party are the names and addresses of all Persons other than such Loan Party, such as lessees, consignees, warehousemen, bailees or purchasers of chattel paper, that have possession of any material amount (fair market value of \$250,000 or more) of tangible personal property of such Loan Party:
None.
- (f) Set forth below opposite the name of each Loan Party are the addresses of all other places of business not listed above:
None.

5. Deposit and Securities Accounts. Set forth below is a true and correct list of each deposit account, securities accounts, or commodity accounts held by each Loan Party, including the name of each institution where each such account is held, the name of such account, the account number of such account and the name of each Person that holds such account:

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Policy Description</u>	<u>Insurer</u>	<u>Broker</u>	<u>Policy Number</u>	<u>Expiration Date</u>
Directors & Officers, Employment Practices, Third Party Discrimination, Fiduciary	National Union Fire Insurance Co.	Diversified Insurance/Carpenter Moore	***	4/1/14
D&O EPLI – Excess	Federal Insurance Company	Diversified Insurance/Carpenter Moore	***	4/1/14
Worker’s Compensation (CA Locations)	Cypress Ins. Co.	Lockton Companies	***	11/1/13
Worker’s Compensation (OR Locations)	Continental Divide Ins Co.	Lockton Companies	***	11/1/13
Worker’s Compensation (All other Locations)	Berkshire Hathaway	Lockton Companies	***	11/1/13
General Liability (California/ Nevada Stores)	Nationwide Mutual Insurance	Lockton Companies	***	11/1/13
General Liability (Kentucky/Mississippi Stores)	Nationwide Property & Casualty Insurance Co.	Lockton Companies	***	11/1/13
General Liability (Alaska Stores)	Scottsdale	Lockton Companies	***	11/1/13
General Liability (All other locations)	Depositor’s Insurance Co	Lockton Companies	***	11/1/13
Property	Affiliated FM	Lockton Companies	***	11/1/13
Umbrella	National Union Fire Ins of PA	Lockton Companies	***	11/1/13
XS Quake	QBE	Lockton Companies	***	11/1/13
Auto	Depositors Ins. Co.	Lockton Companies	***	11/1/13
Ocean Cargo	Lloyds of London	Lockton Companies	***	11/1/13
Crime	National Union Fire of PA	Lockton Companies	***	11/1/13
Network Security	Network Security	Lockton Companies	***	11/1/13

8. Equity Ownership and other Equity Interests. Set forth below opposite each Loan Party’s name is a true and correct list of all the issued and outstanding capital stock or other equity interests held of record and/or beneficially owned by such Loan Party (including, without any limitation, any equity investment of such Loan Party that represents 50% or less of the equity of the entity in which such investment was made). Attached hereto as Exhibit A is a true and correct organizational chart showing the ownership of each Loan Party and all of its affiliates.

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Name of Loan Party</u>	<u>Name of Issuer</u>	<u>Type of Organization</u>	<u>Class of Capital Stock</u>	<u>Certificate No.(s)</u>	<u>Number of Shares or Equity Interests</u>	<u>Percentage of Outstanding Shares or Equity Interests</u>	<u>Par Value</u>
Sportsman's Warehouse Holdings, Inc.	Sportsman's Warehouse, Inc.	Corporation	Common Stock	1	100 shares	100%	\$0.01 par value
Sportsman's Warehouse Holdings, Inc.	Minnesota Merchandising Corp.	Corporation	Common Stock	1	100 shares	100%	\$0.01 par value
Sportsman's Warehouse, Inc.	Sportsman's Warehouse Southwest, Inc.	Corporation	Common Stock	1	100 shares	100%	\$0.01 par value
Sportsman's Warehouse, Inc.	Pacific Flyway Wholesale, LLC	Limited liability company	Percentage interests	N/A	100% of percentage interests	100%	N/A

9. Debt Instruments. Set forth below is a true and correct list of all promissory notes and any other instruments evidencing indebtedness of any Loan Party held by the Loan Parties, including all intercompany notes between the Loan Parties:

None.

10. US Intellectual Property. Attached hereto as Schedule 10A in proper form for filing with the United States Patent and Trademark Office is a true and complete schedule setting forth all of each Loan Party's United States issued Patents, Patent applications, Trademark applications and Trademark registrations, including the name of the registered owner and the application/registration number, as applicable, of each issued Patent, Patent application, Trademark application and Trademark registration owned by any Loan Party. Attached hereto as Schedule 10B in proper form for filing with the United States Copyright Office is a true and complete schedule setting forth all of each Loan Party's United States Copyright registrations and applications, including the name of the registered owner and the application/registration number of each such Copyright registration owned by any Loan Party. Attached hereto as Schedule 10C is a description of all material intellectual property licenses (whether the Loan Party is licensor or licensee).

11. Foreign Intellectual Property. Attached hereto as Schedule 11A is a true and complete schedule setting forth all of each Loan Party's non-U.S. Patents and Patent applications, Trademark registrations and Trademark applications, including the name of the registered owner and the application/registration number, as applicable, of each non-U.S. issued Patent, Patent application, Trademark registration and Trademark application owned by any Loan Party. Attached hereto as Schedule 11B is a true and complete schedule setting forth all of each Loan Party's non-U.S. Copyright registrations and applications, including the name of the registered owner and the application/registration number of each such non-U.S. Copyright registration owned by any Loan Party.

12. Taxes. Set forth below is a true and correct list of all delinquent taxes due for any Loan Party (including, but not limited to, all payroll taxes, personal property taxes, real estate or income taxes).
None.
13. Assignment of Claims Act. Set forth below is a true and correct list of all written contracts between any Loan Party and the United States government or any department or agency thereof that have a remaining value of at least \$250,000, setting forth the contract number, name and address of contracting officer (or other party to whom a notice of assignment under the Assignment of Claims Act should be sent), contract start date and end date, agency with which the contract was entered into, and a description of the contract type.
None.
14. Commercial Tort Claims and Judgments. Set forth below is a description of each commercial tort claim or judgment held by each Loan Party:
None.
15. Letters of Credit. Set forth below is a true and correct list of all letters of credit issued in favor of each Loan Party, as beneficiary thereunder:
None.

[Signature Page Follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Perfection Certificate as of the date first written above.

SPORTSMAN'S WAREHOUSE, INC.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to Perfection Certificate

U.S. TRADEMARKS

<u>Federal Trademark</u>	<u>Registration #</u>	<u>Registration Date</u>
SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	2,390,988	10/03/2000
VITAL IMPACT	2,911,265	12/14/2004
THE GREAT INDOORS FOR THOSE WHO LOVE THE GREAT OUTDOORS	3,001,204	09/27/2005
SPORTSMAN'S NEWS and design	3,060,233	02/21/2006
SPORTSMAN'S WAREHOUSE EST. 1986 OUTFITTER with design	3,223,766	04/03/2007
SPORTSMAN LITE	3,354,654	12/11/2007
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER and design	3,472,243	07/22/2008
SPORTSMAN'S WAREHOUSE	3,675,144	09/01/2009
SPORTSMAN'S WAREHOUSE and design	3,886,160	12/07/2010
ELK HUNTER	3,172,144	11/14/2006
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING Ÿ FISHING Ÿ CAMPING Ÿ RELOADING Ÿ OUTERWEAR Ÿ FOOTWEAR and design	3,886,154	12/07/2010
LOST RIVER	3,095,578	05/23/2006
SPORTSMAN'S NEWS THE OFFICIAL PUBLICATION OF SPORTSMAN'S WAREHOUSE	4,267,214	01/01/2013

State Trademark Registrations:

<u>State</u>	<u>State Trademark</u>	<u>Registration #</u>	<u>Date</u>
Utah	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	UT 37654 2524501-0190	01/30/1998 (Renewed 3/19/2008)
Idaho	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR and design	16237	02/08/1999
Idaho	SPORTSMAN'S WAREHOUSE	16236	02/08/1999
Colorado	SPORTSMAN'S WAREHOUSE HUNTING FISHING CAMPING RELOADING OUTERWEAR FOOTWEAR	19991032010	02/19/1999
Colorado	SPORTS WAREHOUSE INC.	19991032013	02/19/1999
Montana	SPORTSMAN'S WAREHOUSE	22742	05/19/2003
Washington	SPORTSMAN'S WAREHOUSE SUPERIMPOSED OVER AN OUTLINE OF MOUNTAINS	51,926	07/23/2007

Trade Name Registrations:

<u>State</u>	<u>Trade Name</u>	<u>Registration #</u>	<u>Date</u>
Wyoming	SPORTSMAN'S WAREHOUSE	2000-000404918	05/25/2000 (Renewed 05/21/2010)
Colorado	SPORTSMAN'S WAREHOUSE	19991024660	02/09/1999

Trademark Applications:

<u>Trademark</u>	<u>Application Number</u>	<u>Application Date</u>
TAKE IT OUTSIDE	86/015,232	07/19/2013
SPORTSMAN'S WAREHOUSE AMERICA'S PREMIER OUTFITTER HUNTING FISHING CAMPING RELOADING CLOTHING FOOTWEAR TAKE IT OUTSIDE	86/015,241	07/19/2013
SW	86/004,216	07/08/2013
DESIGN (outline of Mountain Range)	85/727,803	09/13/2012
RUSTIC RIDGE	85/721,995	09/06/2012

DOMAIN NAME REGISTRATIONS:

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
BOYDSSPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	08/02/2010	Sportsman's Warehouse
BOYDSSPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	07/18/2010	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	03/05/2012	Sportsman's Warehouse
EMAILSW.COM	Public	GoDaddy.com LLC	10/11/2001	Sportsman's Warehouse
EMAILSW.NET	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
EMAILSW.US	Public	GoDaddy.com LLC	10/29/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/27/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
PACIFICFLYWAY.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
RUSTICRIDGE.CO.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICRIDGEOUTFITTERS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
RUSTICRIDGESPORTS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTICSPORTSMANS.COM	Public	GoDaddy.com LLC	09/13/2012	Sportsman's Warehouse
RUSTIKRIDGE.COM	Public	GoDaddy.com LLC	09/05/2012	Sportsman's Warehouse
SMWDEPOT.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWH.NET	Public	GoDaddy.com LLC	05/02/2004	Sportsman's Warehouse
SMWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
SMWSHOP.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SMWSTORE.COM	Public	GoDaddy.com LLC	11/03/2011	Sportsman's Warehouse
SPORTMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	10/22/2004	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.COM	Public	GoDaddy.com LLC	06/28/2002	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.INFO	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.MOBI	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.NET	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.ORG	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse
SPORTSMANS-WAREHOUSE.US	Public	GoDaddy.com LLC	06/16/2009	Sportsman's Warehouse

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANS.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANS.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANS.ORG	Public	GoDaddy.com LLC	10/25/2001	Sportsman's Warehouse
SPORTSMANS.TV	Public	GoDaddy.com LLC	10/08/2007	Sportsman's Warehouse
SPORTSMANS.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSAVIATION.COM	Public	GoDaddy.com LLC	11/08/2007	Sportsman's Warehouse
SPORTSMANSFISHINGWAREHOUSE.COM	Public	GoDaddy.com LLC	11/10/2011	Sportsman's Warehouse
SPORTSMANSHUNTINGWAREHOUSE.NET	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTSMANSNATION.COM	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNATION.ORG	Public	GoDaddy.com LLC	08/18/2008	Sportsman's Warehouse
SPORTSMANSNEWS.BIZ	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.COM	Public	GoDaddy.com LLC	03/21/2004	Sportsman's Warehouse
SPORTSMANSNEWS.INFO	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
SPORTSMANSNEWS.MOBI	Public	GoDaddy.com LLC	09/17/2008	Sportsman's Warehouse
SPORTSMANSNEWS.NET	Public	GoDaddy.com LLC	12/17/2004	Sportsman's Warehouse

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSNEWS.ORG	Public	GoDaddy.com LLC	06/27/2006	Sportsman's Warehouse
SPORTSMANSNEWS.WS	Public	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/27/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	09/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.BIZ	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CC	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM	Public	GoDaddy.com LLC	12/21/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.COM.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.MOBI	Public	GoDaddy.com LLC	03/06/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NAME	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANSWAREHOUSE.NET	Public	GoDaddy.com LLC	10/25/1999	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.NET.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.ORG	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.ORG.CN	Public	GoDaddy.com LLC	10/18/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.TV	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.US	Public	GoDaddy.com LLC	02/04/2003	Sportsman's Warehouse
SPORTSMANSWAREHOUSE.WS	Public	GoDaddy.com LLC	10/12/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	12/26/2007	Sportsman's Warehouse
SPORTSMANSWEARHOUSE.COM	Public	GoDaddy.com LLC	11/27/2005	Sportsman's Warehouse
SPORTSMANSWH.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse
SPORTSMANSWHAREHOUSE.COM	Public	GoDaddy.com LLC	10/30/2008	Sportsman's Warehouse
***	Private	GoDaddy.com LLC	02/25/2008	Sportsman's Warehouse
SPORTSMANSWHSE.COM	Public	GoDaddy.com LLC	07/31/2008	Sportsman's Warehouse

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Domain Name</u>	<u>Privacy Status</u>	<u>Registrar</u>	<u>Registration Date</u>	<u>OWNER</u>
SPORTSMANWAREHOUSE.COM	Public	GoDaddy.com LLC	06/25/2002	Sportsman's Warehouse
SWOUTPOST.COM	Public	GoDaddy.com LLC	04/12/2012	Sportsman's Warehouse
THESPORTSMANSWAREHOUSE.INFO	Public	GoDaddy.com LLC	01/21/2011	Sportsman's Warehouse
SPORTSMANSHUNTINGWAREHOUSE.COM	Public	GoDaddy.com LLC	10/06/2010	Sportsman's Warehouse
SPORTMANSWEREHOUSE.COM	Public	GoDaddy.com LLC	12/02/2006	Sportsman's Warehouse
SPORTSMAN-WAREHOUSE.COM	Public	GoDaddy.com LLC	09/29/2004	Sportsman's Warehouse
YUKONGOLDOUTFITTERS.COM	Public	GoDaddy.com LLC	09/18/2012	Sportsman's Warehouse

U.S. REGISTERED COPYRIGHTS

None.

INTELLECTUAL PROPERTY LICENSES

None.

FOREIGN TRADEMARKS

None.

FOREIGN PATENTS

None.

FOREIGN REGISTERED COPYRIGHTS

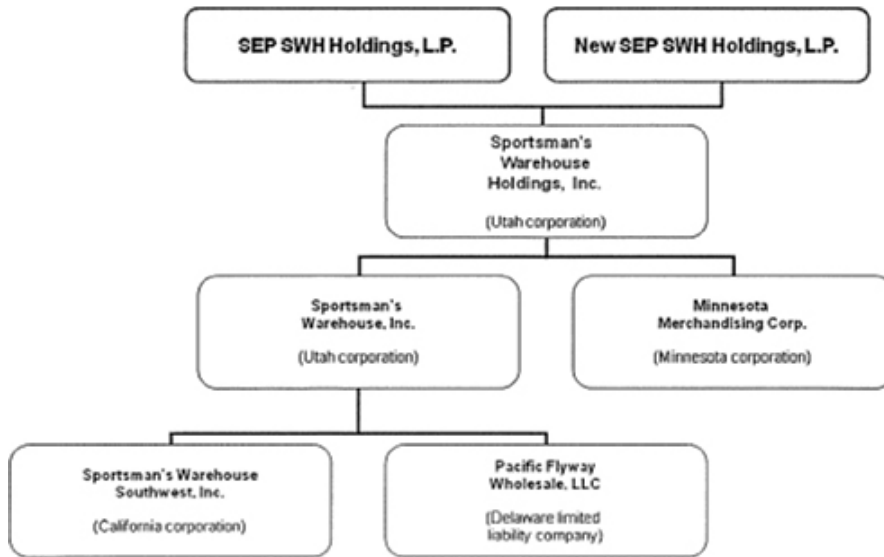
None.

Organizational Chart

Attached.

Sportsman's Warehouse Holdings, Inc.

Organizational Chart



FORM OF SHORT FORM INTELLECTUAL PROPERTY AGREEMENT

See attached.

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT (“Agreement”), dated as of [], 2010, by [], a [], and [], a [] (each herein referred to as a “Grantor” and, together, the “Grantors”), in favor of Credit Suisse AG, located at Eleven Madison Avenue, New York, NY 10010, as collateral agent (in such capacity, including any successor thereto, the “Collateral Agent”) for the Secured Parties (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, each Grantor owns the Trademark (as defined in the Guarantee and Collateral Agreement referenced below) registrations and applications listed as owned by such Grantor on Schedule 1 annexed hereto; and

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) among the Borrower, Holdings, the Lenders (as each is defined in the Credit Agreement) and, in its capacity as administrative agent and collateral agent, the Collateral Agent, the Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified therein; and

WHEREAS, the obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of that certain Guarantee and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Guarantee and Collateral Agreement”) among Borrower, Holdings, the subsidiaries of the Borrower from time to time party thereto (including each Grantor) and, in its capacity as collateral agent, the Collateral Agent;

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement, each Grantor has pledged to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and granted to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in the Trademark Collateral (as defined below), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest, as security for the payment or performance, as the case may be of the Obligations (as defined in the Credit Agreement).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor, as security for the payment or performance, as the case may be of the Obligations, hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in or to the following (all of the following items or types of property being herein collectively referred to as the “Trademark Collateral”), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest):

- (a) all of the Trademarks owned by such Grantor, including, without limitation:
 - (i) each Trademark registration and application listed as owned by such Grantor on Schedule 1 annexed hereto;
 - (ii) all goodwill associated therewith or symbolized by such Trademarks, and

- (iii) all proceeds of and products of such Trademarks, including any claim by such Grantor against third parties for past, present, future infringement or dilution of such Trademarks or injury to the goodwill associated with such Trademarks.

Notwithstanding the foregoing, the security interest granted herein shall not extend to and the term "Trademark" shall not include any Trademark applications filed in the United States Patent and Trademark Office on the basis of a Grantor's "intent-to-use" such Trademark (unless and until a statement of use in connection therewith has been filed with the United States Patent and Trademark Office). Each Grantor acknowledges that, following the filing with the United States Patent and Trademark Office of a statement of use with respect to any intent-to-use Trademark, such Grantor's interest in any such intent-to-use Trademark application shall automatically be subject to the security interest in favor of the Collateral Agent granted hereunder.

The foregoing security interest is granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. Each Grantor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

This Agreement shall be construed in accordance with and governed by the laws of the state of New York, without regard to conflict of laws principles. Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, 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 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.

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.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

[]

By: _____

Name:

Title:

[]

By: _____

Name:

Title:

Acknowledged and Agreed:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1
to
Trademark Security Agreement

TRADEMARK REGISTRATIONS AND APPLICATIONS

PATENT SECURITY AGREEMENT

PATENT SECURITY AGREEMENT ("Agreement"), dated as of [], 2010, by [], a [], and [], a [] (each herein referred to as a "Grantor" and, together, the "Grantors"), in favor of Credit Suisse AG, located at Eleven Madison Avenue, New York, NY 10010, as collateral agent (in such capacity, including any successor thereto, the "Collateral Agent") for the Secured Parties (as defined in the Credit Agreement referred to below).

W I T N E S S E T H:

WHEREAS, each Grantor owns the Patents (as defined in the Guarantee and Collateral Agreement referenced below) and Patent applications listed as owned by such Grantor on Schedule 1 annexed hereto; and

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") among the Borrower, Holdings, the Lenders (as each is defined in the Credit Agreement) and, in its capacity as administrative agent and collateral agent, the Collateral Agent, Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified therein; and

WHEREAS, the obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of that certain Guarantee and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Guarantee and Collateral Agreement") among Borrower, Holdings, the subsidiaries of the Borrower from time to time party thereto (including each Grantor) and, in its capacity as collateral agent, the Collateral Agent;

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement, each Grantor has pledged to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and granted to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in the Patent Collateral (as defined below), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest, as security for the payment or performance, as the case may be of the Obligations (as defined in the Credit Agreement).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor, as security for the payment or performance, as the case may be of the Obligations, hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in or to the following (all of the following items or types of property being herein collectively referred to as the "Patent Collateral"), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest):

- (a) all of the Patents owned by such Grantor, including, without limitation:
 - (i) each issued Patent and Patent application listed as owned by such Grantor on Schedule 1 annexed hereto;

- (ii) all reissues, continuations, divisions, continuations-in-part, renewals or extensions thereof, and the inventions disclosed or claimed therein, including the right to make, use and/or sell the inventions disclosed or claimed therein; and
- (iii) all proceeds of and products of such Patents, including any claim by such Grantor against third parties for past, present, future infringement of such Patents.

The foregoing security interest is granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. Each Grantor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

This Agreement shall be construed in accordance with and governed by the laws of the state of New York, without regard to conflict of laws principles. Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, 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 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.

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.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

[]

By: _____
Name:
Title:

[]

By: _____
Name:
Title:

Acknowledged and Agreed:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1
to
Patent Security Agreement

ISSUED PATENTS AND PATENT APPLICATIONS

COPYRIGHT SECURITY AGREEMENT

COPYRIGHT SECURITY AGREEMENT (“Agreement”), dated as of [], 2010, by [], a [], and [], a [] (each herein referred to as a “Grantor” and, together, the “Grantors”), in favor of Credit Suisse AG, located at Eleven Madison Avenue, New York, NY 10010, as collateral agent (in such capacity, including any successor thereto, the “Collateral Agent”) for the Secured Parties (as defined in the Credit Agreement referred to below).

WITNESSETH:

WHEREAS, each Grantor owns the Copyright (as defined in the Guarantee and Collateral Agreement referenced below) registrations and applications listed as owned by such Grantor on Schedule 1 annexed hereto; and

WHEREAS, pursuant to that certain Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”) among the Borrower, Holdings, the Lenders (as each is defined in the Credit Agreement) and, in its capacity as administrative agent and collateral agent, the Collateral Agent, the Lenders have agreed to extend credit to the Borrower pursuant to, and upon the terms and conditions specified therein; and

WHEREAS, the obligations of the Lenders to extend credit to the Borrower are conditioned upon, among other things, the execution and delivery of that certain Guarantee and Collateral Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the “Guarantee and Collateral Agreement”) among Borrower, Holdings, the subsidiaries of the Borrower from time to time party thereto (including each Grantor) and, in its capacity as collateral agent, the Collateral Agent;

WHEREAS, pursuant to the terms of the Guarantee and Collateral Agreement, each Grantor has pledged to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and granted to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in the Copyright Collateral (as defined below), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest, as security for the payment or performance, as the case may be of the Obligations (as defined in the Credit Agreement).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor, as security for the payment or performance, as the case may be of the Obligations, hereby pledges to the Collateral Agent, its successors and assigns, for the ratable benefit of the Secured Parties, and hereby grants to the Collateral Agent, its successors and assigns, a security interest in all right, title or interest in or to the following (all of the following items or types of property being herein collectively referred to as the “Copyright Collateral”), whether now owned or at any time hereafter acquired by such Grantor or in which such Grantor now has or at any time may acquire any right, title or interest):

- (a) all of the Copyrights owned by such Grantor, including, without limitation:
 - (i) each Copyright registration and application listed as owned by such Grantor on Schedule 1 annexed hereto; and

- (ii) all proceeds of and products of such Copyrights, including any claim by such Grantor against third parties for past, present, future infringement of such Copyrights.

The foregoing security interest is granted in conjunction with the security interests granted to the Collateral Agent pursuant to the Guarantee and Collateral Agreement. Each Grantor does hereby further acknowledge and affirm that the rights and remedies of Collateral Agent with respect to the security interest in the Copyright Collateral made and granted hereby are more fully set forth in the Guarantee and Collateral Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Guarantee and Collateral Agreement, the provisions of the Guarantee and Collateral Agreement shall control.

This Agreement shall be construed in accordance with and governed by the laws of the state of New York, without regard to conflict of laws principles. Each party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America, sitting in New York City, 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 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.

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.

[signature page follows]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be duly executed by its officer thereunto duly authorized as of the date first set forth above.

[]

By: _____

Name:

Title:

[]

By: _____

Name:

Title:

Acknowledged and Agreed:

CREDIT SUISSE AG, CAYMAN ISLANDS BRANCH,
as Collateral Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE 1
to
Copyright Security Agreement

COPYRIGHT REGISTRATIONS AND APPLICATIONS

CREDIT AGREEMENT

Dated as of May 28, 2010

among

SPORTSMAN'S WAREHOUSE, INC.,
as the Lead Borrower

For

The Borrowers Named Herein

WELLS FARGO RETAIL FINANCE, LLC
as Administrative Agent, Collateral Agent, Swing Line Lender,

and

The Other Lenders Party Hereto

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EXHIBITS

Form of

A	Committed Loan Notice
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C-1	Note
C-2	Swing Line Note
D	Compliance Certificate
E	Assignment and Assumption
F	Joinder Agreement
G	Borrowing Base Certificate
H	DDA Notification
I	Credit Card Notification

CREDIT AGREEMENT

This CREDIT AGREEMENT ("Agreement") is entered into as of May 28, 2010, among SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (the "Lead Borrower"), the Persons named on Schedule 1.01(a) hereto (collectively, the "Borrowers"), each lender from time to time party hereto (collectively, the "Lenders" and individually, a "Lender"), and

WELLS FARGO RETAIL FINANCE, LLC, as Administrative Agent, Collateral Agent, and Swing Line Lender.

The Borrowers have requested that the Lenders provide a revolving credit facility, and the Lenders have indicated their willingness to lend and Agent has indicated its willingness to cause the L/C Issuer to issue Letters of Credit, in each case on the terms and conditions set forth herein.

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

ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Accelerated Borrowing Base Delivery Event" means either (i) the occurrence and continuance of any Event of Default, or (ii) the failure of the Borrowers to maintain Availability at least equal to twenty-five percent (25%) of the Loan Cap for five (5) consecutive Business Days, or (iii) the failure of the Borrowers to maintain Availability at least equal to twenty percent (20%) of the Loan Cap at any time. For purposes of this Agreement, the occurrence of an Accelerated Borrowing Base Delivery Event shall be deemed continuing at the Administrative Agent's option (i) so long as such Event of Default has not been waived, and/or (ii) if the Accelerated Borrowing Base Delivery Event arises as a result of the Borrowers' failure to achieve Availability as required hereunder, until Availability has exceeded twenty-five percent (25%) of the Loan Cap for forty-two (42) consecutive calendar days, in which case an Accelerated Borrowing Base Delivery Event shall no longer be deemed to be continuing for purposes of this Agreement.

"ACH" means automated clearing house transfers.

"Accommodation Payment" as defined in Section 10.21(d).

"Account" means "accounts" as defined in the UCC, and also means 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, (c) for a policy of insurance issued or to be issued, (d) for a secondary obligation incurred or to be incurred, (e) for energy provided or to be provided, (f) for the use or hire of a vessel under a charter or other contract, (g) arising out of the use of a credit or charge card or information contained on or for use with the card, or (h) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term "Account" includes health-care-insurance receivables.

"Acquisition" means, with respect to any Person (a) an Investment in, or a purchase of a Controlling interest in, the Equity Interests of any other Person, (b) a purchase or other acquisition of all

or substantially all of the assets or properties of, another Person or of any business unit of another Person, or (c) any merger or consolidation of such Person with any other Person or other transaction or series of transactions resulting in the acquisition of all or substantially all of the assets, or a Controlling interest in the Equity Interests, of any Person, in each case in any transaction or group of transactions which are part of a common plan.

“Act” shall have the meaning provided in Section 10.18.

“Additional Payment Conditions” means satisfaction of the following: (i) No Event of Default has occurred and is continuing or would result after giving effect to any such Restricted Payment and (ii) (a) at all times during the 90 day period immediately preceding any such Restricted Payment and (b) immediately after giving effect to any such Restricted Payment, Availability shall not be less than 35% of the Borrowing Base and (iii) the Administrative Agent shall have received projections reasonably satisfactory to the Administrative Agent as determined on a pro forma basis, for the 180 day period immediately following the making of any such Restricted Payment (after giving pro-forma effect thereto), that reflect the Borrowers collectively shall have Availability of at least 35% of the Borrowing Base; it being understood and agreed that it shall not constitute a breach of this requirement if Availability subsequently is less than 35% of the Borrowing Base so long as the projection thereof is based on the good faith estimate of the Borrowers at the time of such payment.

“Adjusted LIBO Rate” means:

(a) for any Interest Period with respect to any LIBO Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of one percent) equal to (i) the LIBO Rate for such Interest Period multiplied by (ii) the Statutory Reserve Rate; and

(b) for any interest rate calculation with respect to any Base Rate Loan, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of one percent) equal to (i) the LIBO Rate for an Interest Period commencing on the date of such calculation and ending on the date that is thirty (30) days thereafter multiplied by (ii) the Statutory Reserve Rate.

The Adjusted LIBO Rate will be adjusted automatically as of the effective date of any change in the Statutory Reserve Rate.

“Adjustment Date” means the first day of each Fiscal Quarter, commencing October 31, 2010.

“Administrative Agent” means Wells Fargo Retail Finance, LLC in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify the Lead Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to any Person, (i) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, (ii) any director, officer, managing member, partner, trustee, or beneficiary of that Person, (iii) any other Person directly or indirectly holding 20% or more of any class of the Equity

Interests of that Person, and (iv) any other Person 20% or more of any class of whose Equity Interests is held directly or indirectly by that Person.

“Agent(s)” means, individually, the Administrative Agent or the Collateral Agent, and collectively means both of them.

“Agent Parties” shall have the meaning specified in [Section 10.02\(c\)](#).

“Aggregate Commitments” means the Commitments of all the Lenders.

“Agreement” means this Credit Agreement.

“Allocable Amount” has the meaning specified in [Section 10.21\(d\)](#).

“Applicable Lenders” means the Required Lenders, all affected Lenders, or all Lenders, as the context may require.

“Applicable Margin” means:

(a) From and after the Closing Date until the first Adjustment Date, the percentages set forth in Level II of the pricing grid below; and

(b) From and after the first Adjustment Date and on each Adjustment Date thereafter, the Applicable Margin shall be determined from the following pricing grid based upon the Average Daily Availability as of the Fiscal Quarter ended immediately preceding such Adjustment Date; provided, however, that notwithstanding anything to the contrary set forth herein, upon the occurrence and continuation of an Event of Default, the Administrative Agent may, and at the direction of the Required Lenders shall, immediately increase the Applicable Margin to that set forth in Level III (even if the Average Daily Availability requirements for a different Level have been met) and interest shall accrue at the Default Rate; provided further if any Borrowing Base Certificates are at any time restated or otherwise revised (including as a result of an audit) or if the information set forth in any Borrowing Base Certificates 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 immediately recalculated at such higher rate for any applicable periods and shall be due and payable on demand.

<u>Level</u>	<u>Average Daily Availability</u>	<u>LIBOR Margin</u>	<u>Base Rate Margin</u>
I	Greater than or equal to 50% of the Loan Cap	2.25%	1.25%
II	Greater than or equal to 25% of the Loan Cap but less than 50% of the Loan Cap	2.50%	1.50%

“Applicable Percentage” means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender’s Commitment at such time. If the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Applicable Rate” means, at any time of calculation, (a) with respect to Commercial Letters of Credit, a per annum rate equal to the Applicable Margin for Loans which are LIBOR Rate Loans less .50%, and (b) with respect to Standby Letters of Credit, a per annum rate equal to the Applicable Margin for Loans which are LIBOR Rate Loans.

“Appraisal Percentage” means 85%.

“Appraised Value” means (a) with respect to the Borrowers’ Eligible Inventory, the appraised orderly liquidation value, net of costs and expenses to be incurred in connection with any such liquidation, which value is expressed as a percentage of Cost of the Borrowers’ Eligible Inventory as set forth in the Borrowers’ inventory stock ledger, which value shall be determined from time to time by the most recent appraisal undertaken by an independent appraiser engaged by the Administrative Agent, or (b) with respect to the Borrowers’ Eligible Real Estate, the fair market value of the Borrowers’ Eligible Real Estate as set forth in the most recent appraisal of the Borrowers’ Eligible Real Estate as determined from time to time by an independent appraiser engaged by the Administrative Agent, which appraisal shall assume, among other things, a marketing time of not greater than twelve (12) months or less than three (3) months; provided that the Appraised Value of Eligible Real Estate shall in no event exceed the maximum amount of the Obligations at any time specified to be secured by a Mortgage thereon.

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, (c) an entity or an Affiliate of an entity that administers or manages a Lender or (d) the same investment advisor or an advisor under common control with such Lender, Affiliate or advisor, as applicable.

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

“Attributable Indebtedness” means, on any date, (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable

agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease, agreement or instrument were accounted for as a capital lease.

“Audited Financial Statements” means the audited consolidated balance sheet of the Parent and its Subsidiaries for the twenty-four (24) week period ended January 30, 2010, and the related consolidated statements of income or operations, Shareholders’ Equity and cash flows for such fiscal year of the Parent and its Subsidiaries, including the notes thereto.

“Auto-Extension Letter of Credit” shall have the meaning specified in Section 2.03(b)(iii).

“Availability” means, as of any date of determination thereof by the Administrative Agent, the result, if a positive number, of:

(a) The Loan Cap

Minus

(b) The aggregate unpaid balance of Credit Extensions to, or for the account of, the Borrowers.

In calculating Availability at any time and for any purpose under this Agreement, the Lead Borrower shall certify to the Administrative Agent that all accounts payable and Taxes are being paid on a timely basis (absent which the Administrative Agent may establish a Reserve therefor).

“Availability Period” means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

“Availability Reserves” means, without duplication of any other Reserves or items to the extent such items are otherwise addressed or excluded through eligibility criteria, such reserves as the Administrative Agent from time to time determines in its reasonable business discretion as being appropriate (a) to reflect the impediments to the Agents’ ability to realize upon the Collateral, (b) to reflect claims and liabilities that the Administrative Agent determines will need to be satisfied in connection with the realization upon the Collateral, (c) to reflect criteria, events, conditions, contingencies or risks which adversely affect any component of the Borrowing Base, or the assets, business, financial performance or financial condition of any Loan Party, or (d) to reflect that a Default or an Event of Default then exists. Without limiting the generality of the foregoing, Availability Reserves may include, in the Administrative Agent’s reasonable business discretion, (but are not limited to) reserves based on: (i) rent; (ii) customs duties, and other costs to release Inventory which is being imported into the United States, to the extent such Inventory is included in Eligible Inventory; (iii) outstanding Taxes and other governmental charges, including, without limitation, ad valorem, real estate, personal property, sales, and other Taxes which may have priority over the interests of the Collateral Agent in the Collateral; (iv) salaries, wages and benefits due to employees of any Borrower, (v) Customer Credit Liabilities, (vi) reserves for reasonably anticipated changes in the Appraised Value of Eligible Inventory between appraisals, (vii) warehousemen’s or bailee’s charges and other Permitted Encumbrances which may have priority over the interests of the Collateral Agent in the Collateral, (viii) amounts due to vendors on account of consigned goods, (ix) Cash Management Reserves, (x) Bank Products Reserves; and (xi) Realty Reserves.

“Average Daily Availability” shall mean the average daily Availability for the immediately preceding three month period.

“Bank Products” means any services of facilities provided to any Loan Party by the Administrative Agent or any of its Affiliates (but excluding Cash Management Services) on account of (a) Swap Contracts, (b) purchase cards, (c) merchant services constituting a line of credit and (d) leasing.

“Bank Products Reserves” means such reserves as the Administrative Agent from time to time determines in its discretion as being appropriate to reflect the liabilities and obligations of the Loan Parties with respect to Bank Products then provided or outstanding.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Delaware.

“Base Rate” means, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%), (b) the Adjusted LIBO Rate plus one percent (1.00%), or (c) the rate of interest in effect for such day as publicly announced from time to time by Wells Fargo as its “prime rate.” The “prime rate” is a rate set by Wells Fargo based upon various factors including Wells Fargo’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Wells Fargo shall take effect at the opening of business on the day specified in the public announcement of such change.

“Base Rate Loan” means a Loan that bears interest based on the Base Rate.

“Blocked Account” has the meaning provided in Section 6.13(a)(iii).

“Blocked Account Agreement” means with respect to an account established by a Loan Party, an agreement, in form and substance satisfactory to the Collateral Agent, establishing control (as defined in the UCC) of such account by the Collateral Agent and whereby the bank maintaining such account agrees to comply only with the instructions originated by the Collateral Agent without the further consent of any Loan Party.

“Blocked Account Bank” means each bank with whom deposit accounts are maintained in which any funds of any of the Loan Parties from one or more DDAs are concentrated and with whom a Blocked Account Agreement has been, or is required to be, executed in accordance with the terms hereof. Borrowers’ accounts maintained with Bank of America, N.A. shall only be considered as a Blocked Account if (i) more than one Store deposits funds into such Account, or (ii) such account has not been transferred to Wells Fargo within nine (9) months after the Closing Date.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowers” has the meaning specified in the introductory paragraph hereto.

“Borrowing” means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

“Borrowing Base” means, at any time of calculation, an amount equal to:

- (a) the face amount of Eligible Credit Card Receivables multiplied by the Credit Card Advance Rate;

plus

(b) the lesser of (i) the Cost of Eligible Inventory, net of Inventory Reserves, multiplied by the product of (A) Appraisal Percentage multiplied by (B) the Appraised Value of Eligible Inventory, or (ii) the Cost of Eligible Inventory, net of Inventory Reserves, multiplied by the Inventory Advance Rate;

plus

(c) the lesser of (i) the Real Estate Advance Rate multiplied by the Appraised Value of Eligible Real Estate, or (ii) the Real Estate Cap;

plus

(d) the Receivables Advance Rate multiplied by the face amount of Eligible Trade Receivables (net of Receivables Reserves applicable thereto);

minus

(e) the then current amount of all Availability Reserves.

“Borrowing Base Certificate” means a certificate substantially in the form of Exhibit G hereto (with such changes therein as may be required by the Administrative Agent to reflect the components of and reserves against the Borrowing Base as provided for hereunder from time to time), executed and certified as accurate and complete by a Responsible Officer of the Lead Borrower which shall include appropriate exhibits, schedules, supporting documentation, and additional reports as reasonably requested by the Administrative Agent.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located and, if such day relates to any LIBO Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

“Capital Expenditures” means, with respect to any Person for any period, (a) all expenditures made (whether made in the form of cash or other property) or costs incurred for the acquisition or improvement of fixed or capital assets of such Person (excluding normal replacements and maintenance which are properly charged to current operations), in each case that are (or should be) set forth as capital expenditures in a Consolidated statement of cash flows of such Person for such period, in each case prepared in accordance with GAAP, and (b) Capital Lease Obligations incurred by a Person during such period.

“Capital Lease Obligations” means, with respect to any Person for any period, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as liabilities on a balance sheet of such Person under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collateral Account” means a non-interest bearing account in the name of the Collateral Agent (or as the Collateral Agent shall otherwise direct) and under the sole and exclusive dominion and

control of the Collateral Agent, in which deposits are required to be made in accordance with Section 2.03(g) or 8.02(c).

“Cash Collateralize” has the meaning specified in Section 2.03(g).

“Cash Flow Payment” means the payments by the Borrowers to each Holder of an Allowed General Unsecured Claim (as defined in the Plan of Reorganization) as described on Exhibit D (Cash Flow Payment Term Sheet) to the Plan of Reorganization.

“Cash Management Reserves” means such reserves as the Administrative Agent, from time to time, determines in its reasonable business discretion as being appropriate to reflect the reasonably anticipated liabilities and obligations of the Loan Parties with respect to Cash Management Services then provided or outstanding.

“Cash Management Services” means any one or more of the following types or services or facilities provided to any Loan Party by the Administrative Agent or any of its Affiliates: (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 or debit cards, (e) credit card processing services, (f) purchase cards and (g) merchant services not constituting a Bank Product.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

“CERCLIS” means the Comprehensive Environmental Response, Compensation, and Liability Information System maintained by the United States Environmental Protection Agency.

“CFC” means a Person that is a controlled foreign corporation under Section 957 of the Code.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

“Change of Control” means (a) any event, transaction or occurrence as a result of which (i) Seidler Equity Partners III, L.P. and its Investment Affiliates cease to own and control, collectively, all of the economic and voting rights associated with ownership of at least fifty-one percent (51%) of all of the outstanding limited partnership interests of Sponsor and SEP SWH Holdings, L.P. and, through that ownership, Seidler Equity Partners III, L.P. and its Investment Affiliates ceases to own and control, collectively, all of the economic and voting rights associated with ownership of at least fifty-one percent (51%) of all classes of the outstanding capital Stock of the Parent on a fully diluted basis, (ii) the Parent ceases to own and control all of the economic and voting rights associated with all of the outstanding capital Stock of the Lead Borrower, or (iii) the Lead Borrower ceases to own and control all of the economic and voting rights associated with all of the outstanding capital Stock of any of its Subsidiaries.

“Chapter 11 Cases” means collectively, the voluntary petitions for relief of the Borrowers filed on March 21, 2009 under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court, Chapter 11 Case No. 09-10990.

“Closing Date” means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

“Code” means the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended and in effect.

“Collateral” means any and all “Collateral” or “Mortgaged Property” as defined in any applicable Security Document and all other property that is to be subject to Liens in favor of the Collateral Agent under the terms of the Security Documents.

“Collateral Access Agreement” means an agreement reasonably satisfactory in form and substance to the Agents executed by (a) a bailee or other Person in possession of Collateral, and (b) each landlord of Real Estate leased by any Loan Party, pursuant to which such Person (i) acknowledges the Collateral Agent’s Lien on the Collateral, (ii) releases such Person’s Liens in the Collateral held by such Person or located on such Real Estate, (iii) provides the Collateral Agent with access to the Collateral held by such bailee or other Person or located in or on such Real Estate, (iv) as to any landlord, provides the Collateral Agent with a reasonable time to sell and dispose of the Collateral from such Real Estate, and (v) makes such other agreements with the Collateral Agent as the Agents may reasonably require.

“Collateral Agent” means Wells Fargo Retail Finance, LLC, acting in such capacity for its own benefit and the ratable benefit of the other Credit Parties,.

“Commercial Letter of Credit” means any Letter of Credit issued for the purpose of providing the primary payment mechanism in connection with the purchase of any materials, goods or services by a Borrower in the ordinary course of business of such Borrower.

“Commitment” means, as to each Lender, its obligation to (a) make Committed Loans to the Borrowers pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01 or in the Assignment and Assumption 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.

“Committed Borrowing” means a borrowing consisting of simultaneous Committed Loans of the same Type and, in the case of LIBO Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

“Committed Loan” has the meaning specified in Section 2.01.

“Committed Loan Notice” means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of LIBO Rate Loans, pursuant to 2.01(a), which, if in writing, shall be substantially in the form of Exhibit A.

“Compliance Certificate” means a certificate substantially in the form of Exhibit D.

“Concentration Account” has the meaning provided in Section 6.13(b).

“Confirmation Order” means the order of the Bankruptcy Court, dated July 30, 2009, approving and confirming the Plan of Reorganization in the Chapter 11 Cases.

“Consent” means actual consent given by a Lender from whom such consent is sought; or the passage of seven (7) Business Days from receipt of written notice to a Lender from the Administrative Agent of a proposed course of action to be followed by the Administrative Agent without such Lender’s giving the Administrative Agent written notice of that Lender’s objection to such course of action.

“Consolidated” means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and its Subsidiaries.

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

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

“Cost” means the lower of cost or market value of Inventory, based upon the Borrowers’ accounting practices, known to the Administrative Agent, which practices are in effect on the Closing Date as such calculated cost is determined from invoices received by the Borrowers, the Borrowers’ purchase journals or the Borrowers’ stock ledger. “Cost” does not include inventory capitalization costs or other non-purchase price charges (such as freight) used in the Borrowers’ calculation of cost of goods sold.

“Credit Card Advance Rate” means 85%.

“Credit Card Notifications” has the meaning provided in Section 6.13(a)(ii).

“Credit Card Receivables” means each “Account” (as defined in the UCC) together with all income, payments and proceeds thereof, owed by a major credit or debit card issuer (including, but not limited to, Visa, MasterCard, Discover and American Express and such other issuers approved by the Administrative Agent) to a Loan Party resulting from charges by a customer of a Loan Party on credit or debit cards issued by such issuer in connection with the sale of goods by a Loan Party, or services performed by a Loan Party, in each case in the ordinary course of its business.

“Credit Extensions” mean each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

“Credit Party” or “Credit Parties” means (a) individually, (i) each Lender and its Affiliates, (ii) each Agent, (iii) each L/C Issuer, (iv) each beneficiary of each indemnification obligation undertaken by any Loan Party under any Loan Document, (v) any other Person to whom Obligations under this Agreement and other Loan Documents are owing, and (vi) the successors and assigns of each of the foregoing, and (b) collectively, all of the foregoing.

“Credit Party Expenses” means, without limitation, (a) all reasonable out-of-pocket expenses incurred by the Agents and their respective Affiliates, in connection with this Agreement and the other Loan Documents, including without limitation (i) the reasonable fees, charges and disbursements of (A) counsel for the Agents, (B) outside consultants for the Agents, (C) appraisers, (D) commercial finance examinations, and (E) all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Obligations, (ii) in connection with (A) the syndication of the credit facilities provided for herein, (B) the preparation, negotiation, administration, management, execution and

delivery of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (C) the enforcement or protection of their rights in connection with this Agreement or the Loan Documents or efforts to preserve, protect, collect, or enforce the Collateral, or (D) any workout, restructuring or negotiations in respect of any Obligations, and (b) with respect to the L/C Issuer, and its Affiliates, all reasonable out-of-pocket expenses incurred in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder; and (c) all reasonable out-of-pocket expenses incurred by the Credit Parties who are not the Agents, the L/C Issuer or any Affiliate of any of them, after the occurrence and during the continuance of an Event of Default, provided that such Credit Parties shall be entitled to reimbursement for no more than one counsel representing all such Credit Parties (absent a conflict of interest in which case the Credit Parties may engage and be reimbursed for additional counsel).

“Customer Credit Liabilities” means at any time, the aggregate remaining value at such time of (a) outstanding gift certificates and gift cards of the Borrowers entitling the holder thereof to use all or a portion of the certificate or gift card to pay all or a portion of the purchase price for any Inventory, (b) outstanding merchandise credits of the Borrowers, (c) layaway obligations of the Borrowers, and (d) liabilities in connection with frequent shopping programs of the Borrowers.

“Customer Deposits” means deposits made by customers with respect to the purchase of goods or the performance of services.

“DDA” means each checking, savings or other demand deposit account maintained by any of the Loan Parties other than the Blocked Accounts. All funds in each DDA shall be conclusively presumed to be Collateral and proceeds of Collateral and the Agents and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in any DDA.

“DDA Notification” has the meaning provided therefor in [Section 6.13\(a\)\(i\)](#).

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

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Margin, if any, applicable to Base Rate Loans, plus (iii) 2% per annum; provided, however, that with respect to a LIBO Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a rate equal to the Applicable Rate for Standby Letters of Credit or Commercial Letters of Credit, as applicable, plus 2% per annum.

“Defaulting Lender” means any Lender that (a) has failed to fund any portion of the Committed Loans, participations in L/C Obligations or participations in Swing Line Loans required to be funded by it hereunder within one Business Day of the date required to be funded by it hereunder, (b) has otherwise failed 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, or (c) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding.

“Deteriorating Lender” means any Defaulting Lender or any Lender as to which (a) the L/C Issuer or the Swing Line Lender has a good faith belief that such Lender has defaulted in fulfilling its obligations under one or more other syndicated credit facilities, or (b) a Person that Controls such Lender has been deemed insolvent or become the subject of a bankruptcy, insolvency or similar proceeding.

“Dilution Percentage” shall mean, as of any date of determination, a percentage, based upon the experience of the immediately prior twelve (12) months, that is the result of dividing the dollar amount of (a) bad debt write-downs, discounts, advertising allowances, credits or other dilutive items with respect to the Accounts of the Borrowers (other than those consisting of Credit Card Receivables) for such period by (b) the Borrowers’ gross sales of Inventory during such period (excluding intercompany sales).

“Dilution Reserve” shall mean, as of any date of determination, an amount sufficient to reduce the advance rate against Eligible Trade Receivables, by one percentage point for each percentage point by which the Dilution Percentage exceeds five percent (5%).

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) and any sale, transfer, license or other disposition of (whether in one transaction or in a series of transactions) of any property (including, without limitation, any Equity Interests) by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Stock” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Loans mature; provided, however, that (i) only the portion of such Equity Interests which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock and (ii) with respect to any Equity Interests issued to any employee or to any plan for the benefit of employees of the Lead Borrower or its Subsidiaries or by any such plan to such employees, such Equity Interest shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Lead Borrower or one of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, resignation, death or disability and if any class of Equity Interest of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of an Equity Interest that is not Disqualified Stock, such Equity Interests shall not be deemed to be Disqualified Stock. Notwithstanding the preceding sentence, any Equity Interest that would constitute Disqualified Stock solely because the holders thereof have the right to require a Loan Party to repurchase such Equity Interest upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Lead Borrower and its Subsidiaries may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends.

“Dollars” and “\$” mean lawful money of the United States.

“Early Termination Fee” has the meaning set forth in Section 2.09(b).

“Eligible Assignee” means (a) a Credit Party or any of its Affiliates; (b) a bank, insurance company, or company engaged in the business of making commercial loans, which Person, together with

its Affiliates, has a combined capital and surplus in excess of \$250,000,000; (c) an Approved Fund; (d) any Person to whom a Credit Party assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Credit Party's rights in and to a material portion of such Credit Party's portfolio of asset based credit facilities, and (e) any other Person (other than a natural person) approved by (i) the Administrative Agent, the L/C Issuer and the Swing Line Lender, and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, "Eligible Assignee" shall not include a Loan Party or any of the Loan Parties' Affiliates or Subsidiaries.

"Eligible Credit Card Receivables" means Credit Card Receivables due to a Borrower on a non-recourse basis, in each case acceptable to the Administrative Agent in its reasonable business discretion, as arise in the ordinary course of business, which have been earned by performance, and are deemed by the Administrative Agent in its reasonable business discretion to be eligible for inclusion in the calculation of the Borrowing Base. Without limiting the foregoing, unless the Administrative Agent otherwise agrees, none of the following shall be deemed to be Eligible Credit Card Receivables:

- (a) Accounts due from major credit card processors and major debit card processors that have been outstanding for more than five (5) Business Days from the date of sale;
- (b) Accounts due from major credit card processors and major debit card processors with respect to which a Loan Party does not have good, valid and marketable title, free and clear of any Lien (other than Liens granted to the Collateral Agent, and those Liens specified in clauses (a), (e) and (q) of the definition of Permitted Encumbrances);
- (c) Accounts due from major credit card processors and major debit card processors that are not subject to a first priority security interest in favor of the Collateral Agent (it being the intent that chargebacks in the ordinary course by the credit card processors shall not be deemed violative of this clause);
- (d) Accounts due from major credit card processors and major debit card processors which are disputed, are with recourse, or with respect to which a claim, counterclaim, offset or chargeback has been asserted (to the extent of such claim, counterclaim, offset or chargeback);
- (e) Accounts due from major credit card processors as to which the credit card processor has the right under certain circumstances to require a Loan Party to repurchase the Accounts from such credit card processor; or
- (f) Accounts due from major credit card processors and major debit card processors which the Administrative Agent determines in its reasonable business discretion to be uncertain of collection.

"Eligible Inventory" means, as of the date of determination thereof, items of Inventory of a Borrower that are finished goods, merchantable and readily saleable to the public in the ordinary course of a Borrower's business deemed by the Administrative Agent in its reasonable business discretion to be eligible for inclusion in the calculation of the Borrowing Base, in each case that, except as otherwise agreed by the Administrative Agent, complies with each of the representations and warranties respecting Inventory made by the Borrowers in the Loan Documents, and that is not excluded as ineligible by virtue of one or more of the criteria set forth below. Except as otherwise agreed by the Administrative Agent, the following items of Inventory shall not be included in Eligible Inventory:

- (a) Inventory that is not solely owned by a Borrower or a Borrower does not have good and valid title thereto;
- (b) Inventory that is leased by or is on consignment to a Borrower or which is consigned by a Borrower to a Person which is not a Loan Party;
- (c) Inventory that is not located in the United States of America (excluding territories or possessions of the United States);
- (d) Inventory at a location that is not owned or leased by a Borrower, except to the extent that the Borrowers have furnished the Administrative Agent with (i) any UCC financing statements or other documents that the Administrative Agent may determine to be necessary to perfect its security interest in such Inventory at such location, and (ii) a Collateral Access Agreement executed by the Person owning any such location on terms reasonably acceptable to the Administrative Agent;
- (e) Inventory that is located in a distribution center leased by a Borrower, unless the applicable lessor has delivered to the Collateral Agent, if requested by the Collateral Agent, a Collateral Access Agreement;
- (f) Inventory that is comprised of goods which (i) are damaged, defective, "seconds," or otherwise unmerchantable, (ii) are to be returned to the vendor, (iii) are obsolete or slow moving, or custom items, work-in-process, raw materials, or that constitute spare parts, promotional, marketing, packaging and shipping materials or supplies used or consumed in a Borrower's business, (iv) are seasonal in nature and which have been packed away for sale in the subsequent season, (v) not in compliance with all standards imposed by any Governmental Authority having regulatory authority over such Inventory, its use or sale, or (vi) are bill and hold goods;
- (g) Inventory that is not subject to a perfected first-priority security interest in favor of the Collateral Agent;
- (h) Inventory that consists of samples, labels, bags, packaging, and other similar non-merchandise categories;
- (i) Inventory that is not insured in compliance with the provisions of Section 5.10 hereof;
- (j) Inventory that has been sold but not yet delivered or as to which a Borrower has accepted a deposit;
- (k) Inventory that is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third party from which any Borrower or any of its Subsidiaries has received notice of a dispute in respect of any such agreement; or
- (l) Inventory acquired in a Permitted Acquisition or which is not acquired other than for the purpose of sale in a Store in the ordinary course of a Borrower's business, unless and until the Collateral Agent has completed or received (A) an appraisal of such Inventory from appraisers satisfactory to the Collateral Agent, establishes an Inventory Advance Rate and Inventory Reserves (if applicable) therefor, and otherwise agrees that such Inventory shall be

deemed Eligible Inventory, and (B) such other due diligence as the Agents may require, all of the results of the foregoing to be reasonably satisfactory to the Agents.

“Eligible Real Estate” means that certain Real Estate owned by Lead Borrower and located in Loveland, Larimer County, Colorado, as more fully described on Schedule 1.01(b) (“Loveland Real Estate”), but only as and when the following conditions have been satisfied:

(a) Lead Borrower continues to own the Loveland Real Estate in fee simple absolute;

(b) The Administrative Agent shall have received evidence that all actions that the Administrative Agent may reasonably deem necessary or appropriate in order to create a valid first and subsisting Lien (subject only to those Liens permitted by Section 6.02 hereof which have priority over the Lien of the Collateral Agent by operation of Applicable Law or otherwise reasonably acceptable to the Administrative Agent) on the Loveland Real Estate have been taken.

(c) The Administrative Agent shall have received an appraisal (based upon Appraised Value) of the Loveland Real Estate complying with the requirements of FIRREA by a third party appraiser reasonably acceptable to the Administrative Agent and otherwise in form and substance reasonably satisfactory to the Administrative Agent; and

(d) The Real Estate Eligibility Requirements have been satisfied.

“Eligible Trade Receivables” means all Accounts that are subject to a valid, exclusive (other than Liens specified in clause (q) of the definition of Permitted Encumbrances), first priority and fully perfected security interest in favor of the Collateral Agent, on behalf of the Lenders, which conform to the warranties contained herein and which, at all times, continue to be acceptable to the Administrative Agent in the exercise of its reasonable credit judgment, less, without duplication, the sum of the below listed items; provided, (i) Administrative Agent shall have the right to establish, modify or eliminate Reserves against Eligible Trade Receivables from time to time in its reasonable credit judgment and (ii) Administrative Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below and to establish new criteria, and to adjust advance rates with respect to Eligible Trade Receivables, in its reasonable credit judgment:

(a) any returns, discounts, claims, credits, finance or service charges and allowances of any nature (whether issued, owing, granted, claimed or outstanding), and

(b) reserves for any such Accounts that arise from or are subject to or include:

(i) sales to the United States of America, any state or other governmental entity or to any agency, department or division thereof, except for any such sales as to which such Borrower has complied with the Assignment of Claims Act of 1940 or any other applicable statute, rules or regulation, to the Agent’s satisfaction in the exercise of its reasonable business judgment;

(ii) foreign sales, other than sales which otherwise comply with all of the other criteria for eligibility hereunder and are (x) secured by letters of credit (in form and substance reasonably satisfactory to the Administrative Agent) issued or confirmed by, and payable at, banks having a place of business in the United States of America, or (y) to customers residing in Canada provided such Accounts do not exceed Twenty-Five Thousand Dollars (\$25,000) in the aggregate at any one time;

(iii) Accounts that remain unpaid more than ninety (90) days from invoice date;

(iv) contra accounts;

(v) sales to any other Borrower, any subsidiary, or to any company affiliated with the Borrowers in any way (exclusive of any affiliation arising solely out of the customer relationship on account of such sales);

(vi) bill and hold (deferred shipment) or consignment sales;

(vii) sales to any customer which is: (A) insolvent, (B) the debtor in any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or state law, (C) negotiating, or has called a meeting of its creditors for purposes of negotiating, a compromise of its debts, or (D) financially unacceptable to the Administrative Agent or has a credit rating unacceptable to the Administrative Agent, each based on its reasonable credit judgment;

(viii) all sales to any customer if fifty percent (50%) or more of the aggregate dollar amount of all outstanding invoices to such customer are unpaid more than ninety (90) days from invoice date;

(ix) pre-billed receivables and receivables arising from progress billing;

(x) an amount representing, historically, returns, discounts, claims, credits, allowances and applicable terms;

(xi) sales not payable in United States currency; and

(xii) any other reasons deemed necessary by the Administrative Agent in its reasonable credit judgment, including without limitation those which are customary either in the commercial finance industry or in the lending practices of the Administrative Agent.

Administrative Agent has advised Borrowers that due diligence has not been conducted with respect to Eligible Trade Receivables, and that until completion of such due diligence, to the sole satisfaction of Administrative Agent, the Borrowing Base will not include any Eligible Trade Receivables. Upon completion of such due diligence Administrative Agent may, in its sole discretion, adjust the Receivables Advance Rate, and establish any Receivables Reserves which it deems appropriate.

“Environmental Compliance Reserve” means, with respect to Eligible Real Estate, any reserve which the Agents, from time to time in their discretion establish for estimable amounts that are reasonably likely to be expended by any of the Loan Parties in order for such Loan Party and its operations and property (a) to comply with any notice from a Governmental Authority asserting non-compliance with Environmental Laws, or (b) to correct any such non-compliance with Environmental Laws or to provide for any Environmental Liability.

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the ref of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, obligation, damage, loss, claim, action, suit, judgment, order, fine, penalty, fee, expense, or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal or presence of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equipment” has the meaning set forth in the Security Agreement.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Lead Borrower within the meaning of 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” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Lead Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Lead Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Lead Borrower or any ERISA Affiliate.

“Event of Default” has the meaning specified in Section 8.01. An Event of Default shall be deemed to be continuing unless and until that Event of Default has been duly waived as provided in Section 10.03 hereof.

“Excess Availability” means, as of any date of determination thereof by the Administrative Agent, the result, if a positive number, of (i) the Borrowing Base at such time, minus (ii) the aggregate Outstanding Amount of all Credit Extensions to, or for the account of, the Borrowers.

“Excluded Taxes” means, with respect to any Recipient, (a) income or franchise Taxes imposed on (or measured by) such Recipient’s gross or net income or profit (however denominated), by the United

States of America, the jurisdiction under the laws of which such Recipient is organized, in which such Recipient is resident for Tax purposes or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located or in which it otherwise is deemed to be engaged in a trade or business for Tax purposes (or, in each case, any political subdivision thereof), (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction described in clause (a) above or any other jurisdiction in which any Borrower is located, (c) any Taxes imposed by reason of any present or former connection between the jurisdiction imposing such Taxes and such Recipient other than a connection arising solely from such Recipient having received a payment under this Agreement or any other Loan Document, (d) any withholding Tax imposed pursuant to any applicable law in effect at the time such Recipient becomes a Recipient with respect to its applicable ownership interest in the Loan or designates a new lending office, (e) any Taxes attributable to such Recipient's failure to comply with Sections 3.01(e), and (f) as referenced in the definition of Other Taxes, Taxes imposed as a result of an assignment (other than an assignment that occurs as a result of the Borrowers' request pursuant to Section 10.13).

"Executive Order" has the meaning set forth in Section 10.18.

"Existing Credit Agreement" means that certain Credit Agreement dated as of August 14, 2009 among the Borrowers, General Electric Capital Corporation, as agent, and a syndicate of lenders.

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person not in the ordinary course of business, including tax refunds, pension plan reversions, proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings), condemnation awards (and payments in lieu thereof), indemnity payments and any purchase price adjustments.

"Facility Guaranty" means the Guaranty made by any Guarantor in favor of the Agents and the Lenders, in form reasonably satisfactory to the Administrative Agent.

"Factored Receivables" means any Accounts of a Loan Party which have been factored or sold by an account debtor of a Loan Party to Wells Fargo, Wells Fargo Retail Finance, LLC or any of their respective Affiliates pursuant to a factoring arrangement or otherwise.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds 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 (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Wells Fargo on such day on such transactions as determined by the Administrative Agent.

"Fee Letter" means the letter agreement, dated May 28, 2010, among the Lead Borrower and the Administrative Agent.

"FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended from time to time.

"Fiscal Month" means any fiscal month of any Fiscal Year, which month shall generally end on the Saturday closest to the end of such calendar month, subject to inclusion of such month in the

applicable Fiscal Quarter, in accordance with the fiscal accounting calendar of the Loan Parties. Borrowers' fiscal calendar through Fiscal Year 2028 is attached hereto as Schedule 1.01(c).

"Fiscal Quarter" means any fiscal quarter of any Fiscal Year, which quarters shall generally end on the Saturday closest to the end of each April, July, October and January of such Fiscal Year in accordance with the fiscal accounting calendar of the Loan Parties. Borrowers' fiscal calendar through Fiscal Year 2028 is attached hereto as Schedule 1.01(c).

"Fiscal Year" means any period of fifty-two (52) or fifty-three (53) weeks, as the case may be, ending on the Saturday closest to January 31 of any calendar year. Borrowers' fiscal calendar through Fiscal Year 2028 is attached hereto as Schedule 1.01(c).

"Foreign Assets Control Regulations" has the meaning set forth in Section 10.18.

"Foreign Lender" means any Lender that is organized under the laws of a jurisdiction other than that in which the Lead Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

"Fronting Fee" has the meaning assigned to such term in Section 2.03(j).

"FRB" means the Board of Governors of the Federal Reserve System of the United States.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"GAAP" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of

such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means the Parent and each other Person who shall be required to execute and deliver a Facility Guaranty pursuant to Section 6.12.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

"Honor Date" has the meaning specified in Section 2.03(c)(i).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) All Attributable Indebtedness in respect of Capital Lease Obligations and Synthetic Lease Obligations of such Person;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person (including, without limitation, Disqualified Stock, or any warrant, right or option to acquire such Equity Interest), valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitee” has the meaning specified in [Section 10.04\(b\)](#).

“Information” has the meaning specified in [Section 10.07](#).

“Intellectual Property” means all present and future: trade secrets, know-how and other proprietary information; trademarks, trademark applications, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights and copyright applications; (including copyrights for computer programs) and all tangible and intangible property embodying the copyrights, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

“Interest Payment Date” means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a LIBO Rate Loan exceeds three months, the respective dates that fall every three months after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the first day after the end of each month and the Maturity Date.

“Interest Period” means, as to each LIBO Rate Loan, the period commencing on the date such LIBO Rate Loan is disbursed or converted to or continued as a LIBO Rate Loan and ending on the date one, two or three months thereafter, as selected by the Lead Borrower in its Committed Loan Notice; provided that:

(i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;

(ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;

(iii) no Interest Period shall extend beyond the Maturity Date; and

(iv) notwithstanding the provisions of clause (iii) no Interest Period shall have a duration of less than one (1) month, and if any Interest Period applicable to a LIBO Borrowing would be for a shorter period, such Interest Period shall not be available hereunder.

For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Inventory” has the meaning given that term in the UCC, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

“Inventory Advance Rate” means 75%.

“Inventory Reserves” means such reserves as may be established from time to time by the Administrative Agent in the Administrative Agent’s discretion with respect to the determination of the saleability, at retail, of the Eligible Inventory or which reflect such other factors as affect the market value of the Eligible Inventory. Without limiting the generality of the foregoing, Inventory Reserves may, in the Administrative Agent’s discretion, include (but are not limited to) reserves based on:

- (a) Obsolescence;
- (b) Seasonality;
- (c) Shrink;
- (d) Imbalance;
- (e) Change in Inventory character;
- (f) Change in Inventory composition;
- (g) Change in Inventory mix;
- (h) Markdowns (both permanent and point of sale);
- (i) Retail markons and markups inconsistent with prior period practice and performance, industry standards, current business plans or advertising calendar and planned advertising events; and
- (j) Out-of-date and/or expired Inventory.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person, or (c) any Acquisition, or (d) any other investment of money or capital in order to obtain a profitable return. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Investment Affiliate” means, with respect to any Person, any fund or investment vehicle that (a) is organized by such Person for the purpose of making equity or debt investments in one or more

companies and (b) is controlled by such Person. For purposes of this definition “control” means the power to direct or cause the direction of management and policies of a Person, whether by contract or otherwise.

“IRS” means the United States Internal Revenue Service.

“ISP” means, 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” means with respect to any Letter of Credit, the Letter Credit Application, and any other document, agreement and instrument entered into by the L/C Issuer and the Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to any such Letter of Credit.

“Joinder Agreement” means an agreement, in substantially in the form of Exhibit F, pursuant to which, among other things, a Person becomes a party to, and bound by the terms of, this Agreement and/or the other Loan Documents in the same capacity and to the same extent as either a Borrower or a Guarantor, as the Administrative Agent may determine.

“Knowledge” means knowledge after due inquiry and diligent investigation.

“Landlord Lien State” means Pennsylvania, Texas, Virginia and Washington, or such other state(s) as to which Collateral Agent notifies the Lead Borrower in writing that a landlord’s claim for rent may have priority over the lien of the Collateral Agent in any of the Collateral.

“Laws” means each international, foreign, Federal, state and local statute, treaty, rule, guideline, regulation, ordinance, code and administrative or judicial precedent or authority, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and each applicable administrative order, directed duty, request, license, authorization and permit of, and agreement with, any Governmental Authority, in each case whether or not having the force of law.

“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.

“L/C Borrowing” means 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 Committed Borrowing.

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means (a) Wells Fargo in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder (which successor may only be a Lender selected by the Administrative Agent in its discretion), and (b) any other Lender selected by the Administrative Agent in its discretion. The L/C Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the L/C Issuer, in which case the term “L/C Issuer” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“L/C Obligations” means, as at any date of determination, the aggregate undrawn amount available to be drawn under all outstanding Letters of Credit plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings. For purposes of computing the amounts available to be drawn

under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. 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 ISP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Lease” means any agreement, whether written or oral, no matter how styled or structured, pursuant to which a Loan Party is entitled to the use or occupancy of any space in a structure, land, improvements or premises for any period of time.

“Lender” has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Letter of Credit” means each Standby Letter of Credit and each Commercial Letter of Credit issued hereunder.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Expiration Date” means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).

“Letter of Credit Fee” has the meaning specified in Section 2.03(i).

“Letter of Credit Sublimit” means an amount equal to \$10,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments. A permanent reduction of the Aggregate Commitments shall not require a corresponding pro rata reduction in the Letter of Credit Sublimit; provided, however, that if the Aggregate Commitments are reduced to an amount less than the Letter of Credit Sublimit, then the Letter of Credit Sublimit shall be reduced to an amount equal to (or, at Lead Borrower’s option, less than) the Aggregate Commitments.

“Letter of Credit Obligations” means L/C Obligations.

“LIBO Borrowing” means a Borrowing comprised of LIBO Rate Loans.

“LIBO Rate” means for any Interest Period with respect to a LIBO Rate Loan, the rate per annum equal to the British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or other commercially available source providing quotations of BBA 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. If such rate is not available at such time for any reason, then the “LIBO Rate” for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such Interest Period in same day funds in the approximate amount of the LIBO Rate Loan being made, continued or converted by Wells Fargo and with a term equivalent to such Interest Period would be offered to Wells Fargo by major banks in the London interbank eurodollar market in which Wells Fargo

participates at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

“LIBO Rate Loan” means a Committed Loan that bears interest at a rate based on the Adjusted LIBO Rate.

“Lien” means (a) any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale, Capital Lease Obligation, Synthetic Lease Obligation, or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing) and (b) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Liquidation” means the exercise by the Administrative Agent or Collateral Agent of those rights and remedies accorded to such Agents under the Loan Documents and applicable Law as a creditor of the Loan Parties with respect to the realization on the Collateral, including (after the occurrence and continuation of an Event of Default) the conduct by the Loan Parties acting with the consent of the Administrative Agent, of any public, private or “going out of business”, “store closing”, or other similarly themed sale or other disposition of the Collateral for the purpose of liquidating the Collateral. Derivations of the word “Liquidation” (such as “Liquidate”) are used with like meaning in this Agreement.

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Committed Loan or a Swing Line Loan.

“Loan Account” has the meaning assigned to such term in Section 2.11(a).

“Loan Cap” means, at any time of determination, the lesser of (a) the Aggregate Commitments or (b) the Borrowing Base.

“Loan Documents” means this Agreement, each Note, each Issuer Document, the Fee Letter, all Borrowing Base Certificates, the Blocked Account Agreements, the DDA Notifications, the Credit Card Notifications, the Security Documents, the Facility Guaranty, and any other instrument or agreement now or hereafter executed and delivered in connection herewith, or in connection with any transaction arising out of any Cash Management Services and Bank Products provided by the Administrative Agent or any of its Affiliates, each as amended and in effect from time to time; provided that for purposes of the definition of “Material Adverse Effect” and Article VII, “Loan Documents” shall not include agreements relating to Cash Management Services and Bank Products.

“Loan Parties” means, collectively, the Borrowers and each Guarantor.

“Management Reimbursement Agreement” means the Reimbursement Agreement dated as of August 14, 2009 by and between Sportsman’s Warehouse Holdings, Inc. and SEP SWH Holdings, L.P., on behalf of itself and its affiliates, as amended, restated, supplemented or otherwise modified from time to time pursuant to the terms of this Agreement.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Loan Party or the Parent and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document

to which it is a party; or (c) a material impairment of the rights and remedies of the Agent or the Lenders under any Loan Document or a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event in and of itself does not have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then existing events would result in a Material Adverse Effect.

“Material Contract” means, with respect to any Person, each contract to which such Person is a party, the termination or breach of which would be reasonably likely to result in a Material Adverse Effect, including, without limitation, the Management Reimbursement Agreement, Trade Credit Documents, and Sponsor Security Agreement.

“Material Indebtedness” means Indebtedness (other than the Obligations) of the Loan Parties in an aggregate principal amount exceeding \$1,000,000. For purposes of determining the amount of Material Indebtedness at any time, (a) the amount of the obligations in respect of any Swap Contract at such time shall be calculated at the Swap Termination Value thereof, (b) undrawn committed or available amounts shall be included, and (c) all amounts owing to all creditors under any combined or syndicated credit arrangement shall be included.

“Maturity Date” means May 28, 2014.

“Maximum Rate” has the meaning provided therefor in Section 10.09.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Mortgages” means each and every fee and leasehold mortgage or deed of trust, security agreement and assignment by and between the Loan Party owning or holding the leasehold interest in the Real Estate encumbered thereby in favor of the Collateral Agent.

“Mortgage Policies” has the meaning specified in the definition of Real Estate Eligibility Requirements.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Lead Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Net Proceeds” means (a) with respect to any Disposition by any Loan Party or any of its Subsidiaries, or any Extraordinary Receipt received or paid to the account of any Loan Party or any of its Subsidiaries, the excess, if any, of (i) the sum of cash and cash equivalents received in connection with such transaction (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount of any Indebtedness that is secured by the applicable asset by a Lien permitted hereunder which is senior to the Collateral Agent’s Lien on such asset and that is required to be repaid (or to establish an escrow for the future repayment thereof) in connection with such transaction (other than Indebtedness under the Loan Documents), (B) the reasonable and customary out-of-pocket expenses incurred by such Loan Party or such Subsidiary in connection with such transaction (including, without limitation, appraisals, and brokerage, legal, title and recording or transfer tax expenses and commissions) paid by any Loan Party to third parties (other than Affiliates); and

(b) with respect to the sale or issuance of any Equity Interest by any Loan Party or any of its Subsidiaries, or the incurrence or issuance of any Indebtedness by any Loan Party or any of its Subsidiaries, the excess of (i) the sum of the cash and cash equivalents received in connection with such transaction over (ii) the underwriting discounts and commissions, and other reasonable and customary out-of-pocket expenses, incurred by such Loan Party or such Subsidiary in connection therewith.

“Non-Consenting Lender” has the meaning provided therefor in Section 10.01.

“Non-Extension Notice Date” has the meaning specified in Section 2.03(b)(iii).

“Note” means (a) a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit C-1, and (b) the Swing Line Note, as each may be amended, supplemented or modified from time to time.

“NPL” means the National Priorities List under CERCLA.

“Obligations” means (a) all advances to, and debts (including principal, interest, fees, costs, and expenses), liabilities, obligations, covenants, indemnities, and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit (including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral therefor), 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, fees, costs, expenses and indemnities that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees, costs, expenses and indemnities are allowed claims in such proceeding, and (b) any Other Liabilities.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity, and (d) in each case, all shareholder or other equity holder agreements, voting trusts and similar arrangements to which such Person is a party or which is applicable to its Equity Interests and all other arrangements relating to the Control or management of such Person.

“Other Liabilities” means any obligation on account of (i) any Cash Management Services furnished to any of the Loan Parties or any of their Subsidiaries and/or (ii) any transaction with any Agent or any of their respective Affiliates, which arises out of any Bank Product entered into with any Loan Party and any such Person, as each may be amended from time to time; and/or (iii) any liability with respect to Factored Receivables.

“Other Taxes” means, other than Excluded Taxes, all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document; excluding, however, such Taxes imposed as a result of an assignment (other than an assignment that occurs as a result of the Borrowers’ request pursuant to Section 10.13).

“Outstanding Amount” means (i) with respect to Committed Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Committed Loans and Swing Line Loans, as the case may be, occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.

“Overadvance” means a Credit Extension to the extent that, immediately after its having been made, Availability is less than zero.

“Parent” means Sportsman’s Warehouse Holdings, Inc.

“Participant” has the meaning specified in Section 10.06(d).

“PBGC” means the Pension Benefit Guaranty Corporation.

“PCAOB” means the Public Company Accounting Oversight Board.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

“Permitted Acquisition” means an Acquisition in which all of the following conditions are satisfied:

(a) No Default then exists or would arise from the consummation of such Acquisition;

(b) Such Acquisition shall have been approved by the Board of Directors of the Person (or similar governing body if such Person is not a corporation) which is the subject of such Acquisition and such Person shall not have announced that it will oppose such Acquisition or shall not have commenced any action which alleges that such Acquisition shall violate applicable Law;

(c) The Lead Borrower shall have furnished the Administrative Agent with thirty (30) days’ prior written notice of such intended Acquisition and shall have furnished the Administrative Agent with a current draft of the documents evidencing the intended Acquisition (and final copies thereof as and when executed), a summary of any due diligence undertaken by the Loan Parties in connection with such Acquisition, appropriate financial statements of the Person which is the subject of such Acquisition, pro forma projected financial statements for the twelve (12) month period following such Acquisition after giving effect to such Acquisition (including balance sheets, cash flows and income statements by month for the acquired Person, individually, and on a Consolidated basis with all Loan Parties), and such other information as the Administrative Agent may reasonably require, all of which shall be reasonably satisfactory to the Administrative Agent;

(d) Either (i) the legal structure of the Acquisition shall be acceptable to the Administrative Agent in its discretion, or (ii) the Loan Parties shall have provided the Administrative Agent with a favorable solvency opinion from an unaffiliated third party valuation firm reasonably satisfactory to the Administrative Agent;

(e) After giving effect to the Acquisition, if the Acquisition is an Acquisition of the Equity Interests, a Loan Party shall acquire and own, directly or indirectly, a majority of the Equity Interests in the Person being acquired and shall Control a majority of any voting interests or shall otherwise Control the governance of the Person being acquired;

(f) Any assets acquired shall be utilized in, and if the Acquisition involves a merger, consolidation or stock acquisition, the Person which is the subject of such Acquisition shall be engaged in, a business otherwise permitted to be engaged in by a Borrower under this Agreement;

(g) If the Person which is the subject of such Acquisition will be maintained as a Subsidiary of a Loan Party, or if the assets acquired in an acquisition will be transferred to a Subsidiary which is not then a Loan Party, such Subsidiary shall have been joined as a "Borrower" hereunder or as a Facility Guarantor, as the Administrative Agent shall determine, and the Collateral Agent shall have received a first priority security and/or mortgage interest in such Subsidiary's Equity Interests, Inventory, Accounts, Real Estate and other property of the same nature as constitutes collateral under the Security Documents;

(h) The total consideration paid for all such Acquisitions (whether in cash, tangible property, notes or other property) after the Closing Date shall not exceed in the aggregate the sum of \$5,000,000; and

(i) The Loan Parties shall have satisfied the Additional Payment Conditions.

"Permitted Disposition" means any of the following:

(a) dispositions of inventory in the ordinary course of business;

(b) bulk sales or other Dispositions of the Inventory of a Loan Party not in the ordinary course of business, made in connection with Store closings, at arm's length, provided, that such Store closures and related Inventory Dispositions shall not exceed those set forth in the Borrowers' business plan reasonably satisfactory to Administrative Agent, and provided, further, at the Collateral Agent's discretion, all sales of Inventory in connection with Store closings shall be in accordance with liquidation agreements and with professional liquidators reasonably acceptable to the Collateral Agent;

(c) non-exclusive licenses of Intellectual Property of a Loan Party or any of its Subsidiaries in the ordinary course of business;

(d) licenses for the conduct of licensed departments within the Loan Parties' Stores in the ordinary course of business; provided that, if requested by the Agents, the Agents shall have entered into an intercreditor agreement with the Person operating such licensed department on terms and conditions reasonably satisfactory to the Agents;

(e) the sale or other disposition by a Loan Party of Inventory that is obsolete and having a book value not exceeding \$250,000 in the aggregate in any Fiscal Year (or such greater amount agreed to by Administrative Agent in its reasonable discretion);

(f) the sale or other disposition by a Loan Party of (i) Equipment or Fixtures of the stores closed in connection with the Plan of Reorganization, and (ii) Equipment or Fixtures that are obsolete or no longer used or useful in such Loan Party's business and having a book value, not exceeding \$500,000 in the aggregate in any Fiscal Year (or such greater amount agreed to by Administrative Agent in its reasonable discretion);

(g) Sales, transfers and dispositions among the Loan Parties or by any Subsidiary to a Loan Party;

(h) Sales, transfers and dispositions of or by any Subsidiary which is not a Loan Party to another Subsidiary that is not a Loan Party; and

(i) as long as no Default then exists or would arise therefrom, sales of Real Estate of any Loan Party (or sales of any Person or Persons created to hold such Real Estate or the equity interests in such Person or Persons), including sale-leaseback transactions involving any such Real Estate pursuant to leases on market terms, as long as, (A) such sale is made for fair market value, (B) with respect to any Eligible Real Estate, the Net Proceeds paid in cash are in an amount at least equal to the greater of the amounts advanced or available to be advanced against such Eligible Real Estate under the Borrowing Base, (C) the net proceeds of such sale are utilized to repay the Obligations, and (D) in the case of any sale-leaseback transaction permitted hereunder, the Agents shall have received from such each purchaser or transferee a Collateral Access Agreement on terms and conditions reasonably satisfactory to the Agents.

"Permitted Encumbrances" means:

(a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.04;

(b) Carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by applicable Law, arising in the ordinary course of business and securing obligations that are not overdue or are being contested in compliance with Section 6.04;

(c) Pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations, other than any Lien imposed by ERISA;

(d) Deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) Liens in respect of judgments that would not constitute an Event of Default hereunder;

(f) Easements, covenants, conditions, restrictions, building code laws, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of a Loan Party and such other minor title defects or survey matters that are disclosed by current surveys that, in each case, do not materially interfere with the current use of the real property;

(g) Liens existing on the date hereof and listed on Schedule 7.01 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased, (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is otherwise permitted hereunder;

(h) Liens on fixed or capital assets acquired by any Loan Party which are permitted under clause (c) of the definition of Permitted Indebtedness so long as (i) such Liens and the Indebtedness secured thereby are incurred prior to or within ninety (90) days after such acquisition, (ii) the Indebtedness secured thereby does not exceed the cost of acquisition of such fixed or capital assets and (iii) such Liens shall not extend to any other property or assets of the Loan Parties;

(i) Liens in favor the Collateral Agent;

(j) Landlords' and lessors' Liens in respect of rent not in default;

(k) Possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Investments owned as of the date hereof and Permitted Investments, provided that such liens (a) attach only to such Investments and (b) secure only obligations incurred in the ordinary course and arising in connection with the acquisition or disposition of such Investments and not any obligation in connection with margin financing;

(l) Liens arising solely by virtue of any statutory or common law provisions relating to banker's liens, liens in favor of securities intermediaries, rights of setoff or similar rights and remedies as to deposit accounts or securities accounts or other funds maintained with depository institutions or securities intermediaries;

(m) Liens arising from precautionary UCC filings regarding "true" operating leases or, to the extent permitted under the Loan Documents, the consignment of goods to a Loan Party;

(n) voluntary Liens on property (other than property of the type included in the Borrowing Base) in existence at the time such property is acquired pursuant to a Permitted Acquisition or on such property of a Subsidiary of a Loan Party in existence at the time such Subsidiary is acquired pursuant to a Permitted Acquisition; provided, that such Liens are not incurred in connection with or in anticipation of such Permitted Acquisition and do not attach to any other assets of any Loan Party or any Subsidiary;

(o) Liens in favor of customs and revenues authorities imposed by applicable Law arising in the ordinary course of business in connection with the importation of goods and securing obligations that are being contested in good faith by appropriate proceedings, (B) the applicable Loan Party or Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (C) such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation;

(p) encumbrances referred to in Schedule B of the Mortgage Policies insuring the Mortgages; and

(q) Liens arising with respect to the Sponsor Security Agreement and the Trade Credit Security Agreement.

“Permitted Indebtedness” means each of the following as long as no Default or Event of Default exists or would arise from the incurrence thereof:

(a) Indebtedness outstanding on the date hereof and listed on Schedule 7.03 and any refinancings, refundings, renewals or extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder, and the direct or contingent obligor with respect thereto is not changed as a result of or in connection with such refinancing, refunding, renewal or extension, (ii) the result of such extension, renewal or replacement shall not be an earlier maturity date or decreased weighted average life of such Indebtedness, and (iii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate;

(b) Indebtedness of any Loan Party to any other Loan Party;

(c) Without duplication of Indebtedness described in clause (f) of this definition, purchase money Indebtedness of any Loan Party to finance the acquisition of any fixed or capital assets, including Capital Lease Obligations and Synthetic Lease Obligations, and any Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof provided that the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate, provided, however, that the aggregate principal amount of Indebtedness permitted by this clause (c) shall not exceed \$2,500,000 at any time outstanding and further provided that, if requested by the Collateral Agent, the Loan Parties shall cause the holders of such Indebtedness to enter into a Collateral Access Agreement on terms reasonably satisfactory to the Collateral Agent;

(d) obligations (contingent or otherwise) of any Loan Party or any Subsidiary thereof existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates or foreign exchange rates, and not for purposes of speculation or taking a “market view;” provided that the aggregate Swap Termination Value thereof shall not exceed \$1,000,000 at any time outstanding;

(e) Contingent liabilities under surety bonds or similar instruments incurred in the ordinary course of business in connection with the construction or improvement of Stores;

(f) Indebtedness incurred for the construction or acquisition or improvement of, or to finance or to refinance, any Real Estate owned by any Loan Party (including therein any Indebtedness incurred in connection with sale-leaseback transactions permitted hereunder), provided that, (A) with respect to any Eligible Real Estate, the Net Proceeds paid in cash are in an amount at least equal to the greater of the amounts advanced or available to be advanced against such Eligible Real Estate under the Borrowing Base, (B) all Net Proceeds received in connection with any such Indebtedness are applied to the Obligations, and (C) the Loan Parties shall cause the holders of such Indebtedness to enter into a Collateral Access Agreement on terms reasonably satisfactory to the Collateral Agent;

(g) Indebtedness with respect to the deferred purchase price for any Permitted Acquisition, provided that such Indebtedness does not require the payment in cash of principal (other than in respect of working capital adjustments) prior to the Maturity Date, has a maturity which extends beyond the Maturity Date, and is subordinated to the Obligations on terms reasonably acceptable to the Agents;

(h) Indebtedness of any Person that becomes a Subsidiary of a Loan Party in a Permitted Acquisition, which Indebtedness is existing at the time such Person becomes a Subsidiary of a Loan Party (other than Indebtedness incurred solely in contemplation of such Person's becoming a Subsidiary of a Loan Party);

(i) The Obligations;

(j) Other Indebtedness in an aggregate principal amount not to exceed \$5,000,000 at any time outstanding;

(k) The Trade Credit; and

(l) The Cash Flow Payments (payable in accordance with the terms of this Agreement).

"Permitted Investments" means each of the following as long as no Default or Event of Default exists or would arise from the making of such Investment:

(a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;

(b) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least "Prime-1" (or the then equivalent grade) by Moody's or at least "A-1" (or the then equivalent grade) by S&P, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(c) time deposits with, or insured certificates of deposit or bankers' acceptances of, any commercial bank that (i) (A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this

definition and (iii) has combined capital and surplus of at least \$1,000,000,000, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(d) Fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above (without regard to the limitation on maturity contained in such clause) and entered into with a financial institution satisfying the criteria described in clause (c) above or with any primary dealer and having a market value at the time that such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such counterparty entity with whom such repurchase agreement has been entered into;

(e) Investments, classified in accordance with GAAP as current assets of the Loan Parties, in any money market fund, mutual fund, or other investment companies that are registered under the Investment Company Act of 1940, as amended, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and which invest solely in one or more of the types of securities described in clauses (a) through (d) above;

(f) Investments existing on the Closing Date, and set forth on Schedule 7.02, but not any increase in the amount thereof or any other modification of the terms thereof;

(g) (i) Investments by any Loan Party and its Subsidiaries in their respective Subsidiaries outstanding on the date hereof, (ii) additional Investments by any Loan Party and its Subsidiaries in Loan Parties (other than the Parent);

(h) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(i) Guarantees constituting Permitted Indebtedness;

(j) Investments by any Loan Party in Swap Contracts entered into in the ordinary course of business and for bona fide business (and not speculative purposes) to protect against fluctuations in interest rates in respect of the Obligations;

(k) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(l) Advances to officers, directors and employees of the Loan Parties and Subsidiaries in the ordinary course of business in an amount not to exceed \$10,000 to any individual at any time or in an aggregate amount not to exceed \$100,000 at any time outstanding;

(m) Investments constituting Permitted Acquisitions;

(n) Capital contributions made by any Loan Party to another Loan Party;

(o) Completion of Lead Borrower's development and initiation of e-commerce/internet sales to the public;

(p) Opening additional Stores consistent with Borrowers' business plan reasonably satisfactory to Administrative Agent; and

(q) Other Investments not exceeding \$50,000 in the aggregate at any time outstanding.

provided, however, that notwithstanding the foregoing, no such Investments specified in clauses (a) through (e) and clause (q) shall be permitted unless (i) either (A) no Revolving Credit Loans are then outstanding, or (B) the Investment is a temporary Investment pending expiration of an Interest Period for a LIBO Rate Loan, the proceeds of which Investment will be applied to the Obligations after the expiration of such Interest Period, and (ii) such Investments are pledged to the Collateral Agent as additional collateral for the Obligations pursuant to such agreements as may be reasonably required by the Collateral Agent.

"Permitted Overadvance" means an Overadvance made by the Administrative Agent, in its discretion, which:

- (a) Is made to maintain, protect or preserve the Collateral and/or the Credit Parties' rights under the Loan Documents or which is otherwise for the benefit of the Credit Parties; or
- (b) Is made to enhance the likelihood of, or to maximize the amount of, repayment of any Obligation; or
- (c) Is made to pay any other amount chargeable to any Loan Party hereunder; and
- (d) Together with all other Permitted Overadvances then outstanding, shall not (i) exceed ten percent (10%) of the Borrowing Base at any time or (ii) unless a Liquidation is occurring, remain outstanding for more than forty-five (45) consecutive Business Days, unless in each case, the Required Lenders otherwise agree.

provided however, that the foregoing shall not (i) modify or abrogate any of the provisions of Section 2.03 regarding the Lender's obligations with respect to Letters of Credit, or (ii) result in any claim or liability against the Administrative Agent (regardless of the amount of any Overadvance) for Unintentional Overadvances and such Unintentional Overadvances shall not reduce the amount of Permitted Overadvances allowed hereunder, and further provided that in no event shall the Administrative Agent make an Overadvance, if after giving effect thereto, the principal amount of the Credit Extensions would exceed the Aggregate Commitments (as in effect prior to any termination of the Commitments pursuant to Section 2.06 hereof).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership, Governmental Authority or other entity.

"Plan" means any "employee benefit plan" (as such term is defined in Section 3(3) of ERISA) established by the Lead Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

"Plan of Reorganization" means that certain Second Amended Joint Plan of Reorganization of Sportsman's Warehouse, Inc. and affiliated debtors, dated June 27, 2009, filed in the Chapter 11 Cases and approved by the Bankruptcy Court pursuant to the Confirmation Order.

“Platform” has the meaning specified in Section 6.02.

“Prepayment Event” means:

- (a) Any Disposition (including pursuant to a sale and leaseback transaction) of any property or asset of a Loan Party;
- (b) Any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of a Loan Party, unless the proceeds therefrom are required to be paid to the holder of a Lien on such property or asset having priority over the Lien of the Collateral Agent or;
- (c) The issuance by a Loan Party of any Equity Interests, other than any such issuance of Equity Interests (i) to a Loan Party, (ii) as consideration for a Permitted Acquisition or (iii) as a compensatory issuance to any employee, director, or consultant (including under any option plan);
- (d) The incurrence by a Loan Party of any Indebtedness for borrowed money other than Permitted Indebtedness; or
- (e) The receipt by any Loan Party of any Extraordinary Receipts.

“Public Lender” has the meaning specified in Section 6.02.

“Real Estate” means all real property subject to Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Loan Party, including all easements, rights-of-way, and similar rights relating thereto and all leases, tenancies, and occupancies thereof.

“Real Estate Advance Rate” means 50% from the Closing Date through May 27, 2012, 45% from May 28, 2012 through May 27, 2013 and 40% from the May 28, 2013 through the Maturity Date.

“Real Estate Cap” means at any time of calculation, \$8,000,000.

“Real Estate Eligibility Requirements” means collectively, each of the following:

- (a) The applicable Loan Party has executed and delivered to the Collateral Agent a Mortgage with respect to any Real Estate intended, by such Loan Party, to be included in Eligible Real Estate;
- (b) Such Real Estate is used by a Loan Party for offices or as a store or distribution center;
- (c) As to any particular property, the Loan Party is in compliance in all material respects with the representations, warranties and covenants set forth in the Mortgage relating to such Real Estate;
- (d) The Collateral Agent shall have received fully paid American Land Title Association Lender’s Extended Coverage title insurance policies or marked-up title insurance commitments having the effect of a policy of title insurance) (the “Mortgage Policies”) in form and substance, with the endorsements reasonably required by the Agents (to the extent available

at commercially reasonable rates) and in amounts reasonably acceptable to the Collateral Agent (provided that such amounts shall not exceed the Appraised Value of the applicable Mortgaged Property), issued, coinsured and reinsured (to the extent required by the Collateral Agent) by title insurers reasonably acceptable to the Collateral Agent, insuring the Mortgages to be valid first and subsisting Liens on the property or leasehold interests described therein, free and clear of all defects (including, but not limited to, mechanics' and materialmen's Liens) and encumbrances, excepting only those Liens permitted by Section 6.02 having priority over the Lien of the Collateral Agent under applicable Law or otherwise reasonably acceptable to the Collateral Agent;

(e) With respect to any Real Estate owned by a Borrower or any other Loan Party (excluding interests as lessee under a Lease) which is intended by such Borrower or such other Loan Party to be included in Eligible Real Estate, the Collateral Agent shall have received American Land Title Association/American Congress on Surveying and Mapping form surveys, for which all necessary fees (where applicable) have been paid, certified to the Collateral Agent and the issuer of the Mortgage Policies in a manner reasonably satisfactory to the Collateral Agent by a land surveyor duly registered and licensed in the states in which the property described in such surveys is located and reasonably acceptable to the Collateral Agent, showing all buildings and other improvements, the location of any easements, parking spaces, rights of way, building set-back lines and other dimensional regulations and the absence of encroachments, either by such improvements or on to such property, and other defects, other than encroachments and other defects reasonably acceptable to the Collateral Agent;

(f) With respect to any Real Estate intended by any Borrower or other Loan Party to be included in Eligible Real Estate, the Collateral Agent shall have received a Phase I Environmental Site Assessment in accordance with ASTM Standard E1527-05, in form and substance reasonably satisfactory to the Collateral Agent, from an environmental consulting firm reasonably acceptable to the Collateral Agent, which report shall identify recognized environmental conditions and shall to the extent possible quantify any related costs and liabilities, associated with such conditions and the Collateral Agent shall be satisfied with the nature and amount of any such matters. The Collateral Agent may, upon the receipt of a Phase I Environmental Site Assessment require the delivery of further environmental assessments or reports to the extent such further assessments or reports are recommended in the Phase I Environmental Site Assessment;

(g) The applicable Loan Party shall have delivered to the Collateral Agent evidence of flood insurance naming the Collateral Agent as mortgagee as required by the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended and in effect, which shall be reasonably satisfactory in form and substance to the Collateral Agent; and

(h) The applicable Loan Party shall have delivered such other information and documents as may be reasonably requested by the Agents, including, without limitation, such as may be necessary to comply with FIRREA.

"Realty Reserves" means such reserves as the Administrative Agent from time to time determines in the Administrative Agent's discretion as being appropriate to reflect the impediments to the Agents' ability to realize upon any Eligible Real Estate. Without limiting the generality of the foregoing, Realty Reserves may include (but are not limited to) (i) Environmental Compliance Reserves, (ii) reserves for (A) municipal taxes and assessments, (B) repairs and (C) remediation of title defects, and (iii) reserves for Indebtedness secured by Liens having priority over the Lien of the Collateral Agent.

“Receivables Advance Rate” means 85%.

“Receivables Reserves” means such Reserves as may be established from time to time by the Administrative Agent in the Administrative Agent’s discretion with respect to the determination of the collectability in the ordinary course of Eligible Trade Receivables, including, without limitation, Dilution Reserves.

“Recipient” means, as applicable, (a) any Person to which any payment on account of any obligation of a Loan Party under any Loan Document is made or owed, including the Administrative Agent or any Lender or (b) if any Person described in clause (a) is treated as a pass-through entity for applicable Tax purposes, the beneficial owner of such Person.

“Register” has the meaning specified in Section 10.06(c).

“Registered Public Accounting Firm” has the meaning specified by the Securities Laws and shall be independent of the Parent and its Subsidiaries as prescribed by the Securities Laws.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Reports” has the meaning provided in Section 9.12(b).

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

“Required Lenders” means, as of any date of determination, Lenders holding more than 50% of the Aggregate Commitments or, if the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Lender’s risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed “held” by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender or Deteriorating Lender shall be excluded for purposes of making a determination of Required Lenders.

“Reserves” means all (if any) Inventory Reserves, Availability Reserves, Realty Reserves, and Receivables Reserves.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer or assistant treasurer of a Loan Party or any of the other individuals designated in writing to the Administrative Agent by an existing Responsible Officer of a Loan Party as an authorized signatory of any certificate or other document to be delivered hereunder. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person or any of its

Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent of any thereof), or any option, warrant or other right to acquire any such dividend or other distribution or payment, and any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, any Subordinated Debt. Without limiting the foregoing, "Restricted Payments" with respect to any Person shall also include all payments made by such Person with any proceeds of a dissolution or liquidation of such Person.

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

"Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002.

"Scheduled Payment Conditions" means satisfaction of the following: (i) no Event of Default has occurred and is continuing or would result after giving effect to any such Restricted Payment and (ii) (a) at all times during the 90 day period immediately preceding any such Restricted Payment and (b) immediately after giving effect to any such Restricted Payment, Availability shall not be less than 20% of the Borrowing Base and (iii) the Administrative Agent shall have received projections reasonably satisfactory to the Administrative Agent as determined on a pro forma basis, for the 180 day period immediately following the making of any such Restricted Payment (after giving pro-forma effect thereto), that reflect the Borrowers collectively shall have Availability of at least 20% of the Borrowing Base; it being understood and agreed that it shall not constitute a breach of this requirement if Availability subsequently is less than 20% of the Borrowing Base so long as the projection thereof is based on the good faith estimate of the Borrowers at the time of such payment.

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Secured Rate Contracts" means Swap Contracts.

"Securities Laws" means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley, and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the PCAOB.

"Security Agreement" means the Security Agreement dated as of the Closing Date among the Loan Parties and the Collateral Agent.

"Security Documents" means the Security Agreement, the Blocked Account Agreements, the Mortgages, the DDA Notifications, the Credit Card Notifications, and each other security agreement or other instrument or document executed and delivered to the Collateral Agent pursuant to this Agreement or any other Loan Document granting a Lien to secure any of the Obligations.

"Senior Executive Officers" means the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, President, Treasurer or Assistant Treasurer of each Borrower.

"Settlement Date" has the meaning provided in Section 2.14(a).

“Shareholders’ Equity” means, as of any date of determination, consolidated shareholders’ equity of the Parent and its Subsidiaries as of that date determined in accordance with GAAP.

“Shrink” means Inventory which has been lost, misplaced, stolen, or is otherwise unaccounted for.

“Shrink Reserve” means an amount reasonably estimated by the Agents to be equal to that amount which is required in order that the Shrink reflected in Borrowers’ stock ledger would be reasonably equivalent to the Shrink calculated as part of the Borrowers’ most recent physical inventory.

“Solvent” and “Solvency” means, with respect to any Person on a particular date, that on such date (a) at fair valuation, all of the properties and assets of such Person are greater than the sum of the debts, including contingent liabilities, of such Person, (b) the present fair saleable value of the properties and assets of such Person is not less than the amount that would be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its properties and assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts beyond such Person’s ability to pay as such debts mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or transaction, for which such Person’s properties and assets would constitute unreasonably small capital after giving due consideration to the prevailing practices in the industry in which such Person is engaged. The amount of all guarantees at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, can reasonably be expected to become an actual or matured liability.

“Sponsor” means New SEP SWH Holdings, L.P., a Delaware limited partnership.

“Sponsor Note” means that certain promissory note executed by Borrowers in favor of Sponsor in the principal amount of \$12,000,000 (plus paid-in-kind interest added thereto), as amended, restated, supplemented or otherwise modified from time to time (so long as such amendment, restatement, supplement or modification is not prohibited by this Agreement or the Subordination Agreement).

“Sponsor Note Payment Conditions” means satisfaction of the following: (i) No Event of Default has occurred and is continuing or would result after giving effect to any such Restricted Payment and (ii) (a) at all times during the 90 day period immediately preceding any such Restricted Payment and (b) immediately after giving effect to any such Restricted Payment, Availability shall not be less than 25% of the Borrowing Base and (iii) the Administrative Agent shall have received projections reasonably satisfactory to the Administrative Agent as determined on a pro forma basis, for the 180 day period immediately following the making of any such Restricted Payment (after giving pro-forma effect thereto), that reflect the Borrowers collectively shall have Availability of at least 25% of the Borrowing Base; it being understood and agreed that it shall not constitute a breach of this requirement if Availability subsequently is less than 25% of the Borrowing Base so long as the projection thereof is based on the good faith estimate of the Borrowers at the time of such payment.

“Sponsor Security Agreement” means that certain SEP Security Agreement dated as of August 14, 2009 by and among Sportsman’s Warehouse Holdings, Inc., Sportsman’s Warehouse, Inc., and Pacific Flyway Wholesale, LLC and Sponsor, as amended, restated, supplemented or otherwise modified from time to time (so long as such amendment, restatement, supplement or modification is not prohibited by this Agreement or the Subordination Agreement).

“Standby Letter of Credit” means any Letter of Credit that is not a Commercial Letter of Credit and that (a) is used in lieu or in support of performance guaranties or performance, surety or similar bonds (excluding appeal bonds) arising in the ordinary course of business, (b) is used in lieu or in support of stay or appeal bonds, (c) supports the payment of insurance premiums for reasonably necessary casualty insurance carried by any of the Loan Parties, or (d) supports payment or performance for identified purchases or exchanges of products or services in the ordinary course of business.

“Stated Amount” means at any time the maximum amount for which a Letter of Credit may be honored.

“Statutory Reserve Rate” means 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) expressed as a decimal established by the FRB to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBO Rate Loans shall be deemed to constitute eurocurrency funding 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 or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Store” means any retail store (which may include a Borrower’s interest in any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by any Loan Party.

“Subordinated Debt” means the Indebtedness of the Borrowers evidenced by the Sponsor Note, the Cash Flow Payment and any other Indebtedness of any Credit Party subordinated in right of payment to the Obligations (specifically excluding from Subordinated Debt any capital lease payments) in a manner and form satisfactory to Administrative Agent and Lenders in their reasonable discretion, as to right and time of payment and as to any other rights and remedies thereunder. For the avoidance of doubt, the Trade Credit shall not be Subordinated Debt hereunder.

“Subordination Agreement” means that certain Intercreditor and Subordination Agreement dated as of August 14, 2009 by and among the agent under the Existing Credit Agreement, on behalf of itself and the lenders thereunder, Sponsor and Trade Credit Agent, on behalf of itself and the Trade Creditors, as amended, restated, supplemented or otherwise modified from time to time.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of a Loan Party.

“Swap Contract” means (a) 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 (b) 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.

“Swap Termination Value” means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

“Swing Line” means the revolving credit facility made available by the Swing Line Lender pursuant to Section 2.04.

“Swing Line Borrowing” means a borrowing of a Swing Line Loan pursuant to Section 2.04.

“Swing Line Lender” means Wells Fargo Retail Finance, LLC in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

“Swing Line Loan” has the meaning specified in Section 2.04(a).

“Swing Line Loan Notice” means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

“Swing Line Note” means the promissory note of the Borrowers substantially in the form of Exhibit C-2, payable to the order of the Swing Line Lender, evidencing the Swing Line Loans made by the Swing Line Lender.

“Swing Line Sublimit” means an amount equal to the lesser of (a) \$7,500,000 and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

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

“Termination Date” means the earliest to occur of (i) the Maturity Date, (ii) the date on which the maturity of the Obligations is accelerated (or deemed accelerated) and the Commitments are irrevocably terminated (or deemed terminated) in accordance with Article VII, or (iii) the termination of the Commitments in accordance with the provisions of Section 2.06(a) hereof.

“Total Outstandings” means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

“Trade Credit” means that certain Trade Credit extended by the Trade Creditors to the Borrowers pursuant to the Trade Credit Documents.

“Trade Credit Agent” shall mean Wilmington Trust FSB, as the Trade Credit Agent for the Trade Creditors, together with its successors and assigns.

“Trade Credit Agent Agreement” shall mean the Trade Credit Agent Agreement dated as of August 14, 2009 by and among the Trade Credit Agent and the Trade Creditors, as amended, restated, supplemented or otherwise modified from time to time.

“Trade Credit Commitment Letters” has the meaning ascribed to it in the Trade Credit Agent Agreement.

“Trade Credit Documents” shall mean, collectively, the Trade Credit Commitment Letters, the Trade Credit Agent Agreement, the Trade Credit Security Agreement, the Subordination Agreement, any other intercreditor agreement, security agreements, and any other agreements, documents and instruments concurrently or at any time hereafter executed by the Borrowers in connection with the Trade Credit Commitment Letters, in each case, as amended, restated, supplemented or otherwise modified from time to time.

“Trade Creditors” has the meaning ascribed to it in the Trade Credit Agent Agreement.

“Trade Credit Security Agreement” shall mean the Trade Credit Security Agreement dated as of August 14, 2009 by and among Sportsman’s Warehouse Holdings, Inc., Sportsman’s Warehouse, Inc., and Pacific Flyway Wholesale, LLC and the Trade Credit Agent, as amended, restated, supplemented or otherwise modified from time to time.

“Trading with the Enemy Act” has the meaning set forth in Section 10.18.

“Type” means, with respect to a Committed Loan, its character as a Base Rate Loan or a LIBO Rate Loan.

“UCC” or “Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than State of New York, “Uniform Commercial Code” means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

“UFCA” has the meaning specified in Section 10.21(d).

“UFTA” has the meaning specified in Section 10.21(d).

“Unfunded Pension Liability” means the excess of a Pension Plan’s benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan’s assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

“Unintentional Overadvance” means an Overadvance which, to the Administrative Agent’s knowledge, did not constitute an Overadvance when made but which has become an Overadvance resulting from changed circumstances beyond the control of the Credit Parties, including, without limitation, a reduction in the Appraised Value of property or assets included in the Borrowing Base or misrepresentation by the Loan Parties.

“United States” and “U.S.” mean the United States of America.

“Unreimbursed Amount” has the meaning specified in Section 2.03(c)(i).

“Wells Fargo” means Wells Fargo Bank, N.A. and its successors.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(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 or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) 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.

(b) 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.”

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03 Accounting Terms

(a) Generally. 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 on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Lead Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Lead Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Lead Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04 Rounding. Any financial ratios required to be maintained by the Borrowers pursuant to 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 (with a rounding-up if there is no nearest number).

1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 Letter of Credit Amounts. Unless otherwise specified, all references herein to 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; provided, however, that with respect to any Letter of Credit that, by its terms of any Issuer Documents related thereto, provides for one or more automatic increases in the Stated Amount thereof, the amount of such Letter of Credit 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.

ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans; Reserves. Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Committed Loan") to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the lesser of (x) the amount of such Lender's Commitment, or (y) such Lender's Applicable Percentage of the Borrowing Base; subject in each case to the following limitations:

(i) after giving effect to any Committed Borrowing, the Total Outstandings shall not exceed the lesser of (A) the Aggregate Commitments, or (B) the Borrowing Base,

(ii) after giving effect to any Committed Borrowing, the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment,

(iii) The Outstanding Amount of all L/C Obligations shall not at any time exceed the Letter of Credit Sublimit

Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Committed Loans may be Base Rate Loans or LIBO Rate Loans, as further provided herein.

(b) The following are the Inventory Reserves and Availability Reserves as of the Closing Date:

(i) Shrink Reserve (an Inventory Reserve): An amount equal to 0.85% of the Cost of Inventory on hand at retail Stores as of the end of each Fiscal Quarter, and \$100,000 with respect to the Inventory at wholesale, as such shrink reserve may be adjusted based on current trends, and subject to the reasonable business judgment of the Administrative Agent;

(ii) Rent Reserve (an Availability Reserve): An amount equal to two (2) months' rent for all of the Borrowers' leased locations in each Landlord Lien State, other than leased locations with respect to which the Collateral Agent has received a Collateral Access Agreement in form reasonably satisfactory to the Collateral Agent;

(iii) Customer Deposits Reserve (an Availability Reserve): An amount equal to fifty percent (50%) of the Customer Deposits; and

(iv) Customer Credit Liabilities Reserve (an Availability Reserve): An amount equal to fifty percent (50%) of the Customer Credit Liabilities (except an amount equal to one hundred percent (100%) with respect to layaways), as reflected in the Borrowers' books and records.

(c) The Administrative Agent shall have the right, at any time and from time to time after the Closing Date in its discretion to establish, modify or eliminate Reserves.

2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Committed Loans (other than Swing Line Loans) shall be either Base Rate Loans or LIBO Rate Loans as the Lead Borrower may request subject to and in accordance with this Section 2.02. All Swing Line Loans shall be only Base Rate Loans. Subject to the other provisions of this Section 2.02, Committed Borrowings of more than one Type may be incurred at the same time.

(b) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of LIBO Rate Loans shall be made upon the Lead Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must

be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of LIBO Rate Loans or of any conversion of LIBO Rate Loans to Base Rate Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by the Lead Borrower pursuant to this Section 2.02(b) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Lead Borrower. Each Borrowing of, conversion to or continuation of LIBO Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each Committed Loan Notice (whether telephonic or written) shall specify (i) whether the Lead Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of LIBO Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Lead Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Lead Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBO Rate Loans. If the Lead Borrower requests a Borrowing of, conversion to, or continuation of LIBO Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a LIBO Rate Loan.

(c) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the Lead Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.02(b). In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall use reasonable efforts to make all funds so received available to the Borrowers in like funds by no later than 4:00 p.m. on the day of receipt by the Administrative Agent either by (i) crediting the account of the Lead Borrower on the books of Wells Fargo with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Lead Borrower; provided, however, that if, on the date the Committed Loan Notice with respect to such Borrowing is given by the Lead Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrowers as provided above.

(d) The Administrative Agent, without the request of the Lead Borrower, may advance any interest, fee, service charge, Credit Party Expenses, or other payment to which any Credit Party is entitled from the Loan Parties pursuant hereto or any other Loan Document and may charge the same to the Loan Account notwithstanding that an Overadvance may result thereby. The Administrative Agent shall advise the Lead Borrower of any such advance or charge promptly after the making thereof. Such action on the part of the Administrative Agent shall not constitute a waiver of the Administrative Agent's rights and the Borrowers' obligations under Section 2.05(c). Any amount which is added to the principal balance of the Loan Account as provided in this Section 2.02(d) shall bear interest at the interest rate then and thereafter applicable to Base Rate Loans.

(e) Except as otherwise provided herein, a LIBO Rate Loan may be continued or converted only on the last day of an Interest Period for such LIBO Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as LIBO Rate Loans without the Consent of the Required Lenders.

(f) The Administrative Agent shall promptly notify the Lead Borrower and the Lenders of the interest rate applicable to any Interest Period for LIBO Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Lead Borrower and the Lenders of any change in Wells Fargo's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(g) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than 3 Interest Periods in effect with respect to LIBO Rate Loans.

(h) The Administrative Agent, the Lenders, the Swing Line Lender and the L/C Issuer shall have no obligation to make any Loan or to provide any Letter of Credit if an Overadvance would result. The Administrative Agent may, in its discretion, make Permitted Overadvances without the consent of the Lenders, the Swing Line Lender and the L/C Issuer and each Lender shall be bound thereby. Any Permitted Overadvance may constitute a Swing Line Loan. A Permitted Overadvance is for the account of the Borrowers and shall constitute a Base Rate Loan and an Obligation and shall be repaid by the Borrowers in accordance with the provisions of Section 2.05(c). The making of any such Permitted Overadvance on any one occasion shall not obligate the Administrative Agent or any Lender to make or permit any Permitted Overadvance on any other occasion or to permit such Permitted Overadvances to remain outstanding. The making by the Administrative Agent of a Permitted Overadvance shall not modify or abrogate any of the provisions of Section 2.03 regarding the Lenders' obligations to purchase participations with respect to Letter of Credits or of Section 2.04 regarding the Lenders' obligations to purchase participations with respect to Swing Line Loans. The Administrative Agent shall have no liability for, and no Loan Party or Credit Party shall have the right to, or shall, bring any claim of any kind whatsoever against the Administrative Agent with respect to Unintentional Overadvances regardless of the amount of any such Overadvance(s).

2.03 Letters of Credit.

(a) The Letter of Credit Commitment.

(i) Subject to the terms and conditions set forth herein, (A) the Administrative Agent, in reliance upon the agreements of the Lenders set forth in this Section 2.03, shall endeavor to cause the L/C Issuer from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrowers, and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b) below; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrowers and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Outstandings shall not exceed the lesser of the Aggregate Commitments or the Borrowing Base, (y) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Lead Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrowers that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the

preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. Any L/C Issuer (other than Wells Fargo or any of its Affiliates) shall notify the Administrative Agent in writing on each Business Day of all Letters of Credit issued on the prior Business Day by such L/C Issuer.

(ii) No Letter of Credit shall be issued if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Standby Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) subject to Section 2.03(b)(iii), the expiry date of such requested Commercial Letter of Credit would occur more than 120 days after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(C) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless either such Letter of Credit is Cash Collateralized on or prior to the Letter of Credit Expiration Date or all the Lenders have approved such expiry date.

(iii) No Letter of Credit shall be issued without the prior consent of the Administrative Agent if:

(A) any order, judgment or decree of any Governmental Authority or arbitrator shall by its terms purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit, or request that the L/C Issuer refrain from, the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it;

(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;

(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial Stated Amount less than \$100,000, in the case of a Commercial Letter of Credit, or \$500,000, in the case of a Standby Letter of Credit;

(D) such Letter of Credit is to be denominated in a currency other than Dollars; provided that if the L/C Issuer, in its discretion, issues a Letter of Credit denominated in a currency other than Dollars, all reimbursements by the Borrowers of the honoring of any drawing under such Letter of Credit shall be paid in the currency in which such Letter of Credit was denominated;

(E) such Letter of Credit contains any provisions for automatic reinstatement of the Stated Amount after any drawing thereunder; or

(F) a default of any Lender's obligations to fund under Section 2.03(c) exists or any Lender is at such time a Defaulting Lender or Deteriorating Lender hereunder, unless the Administrative Agent or L/C Issuer has entered into satisfactory arrangements with the Borrowers or such Lender to eliminate the L/C Issuer's risk with respect to such Lender.

(iv) The Borrowers shall not permit any Letter of Credit to be amended if (A) the L/C Issuer would not be permitted 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.

(v) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C 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 Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(b) Procedures for Issuance and Amendment of Letters of Credit/Auto-Extension Letters of Credit.

(i) Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Lead Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Lead Borrower. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such other date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the Administrative Agent and the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the 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; and (G) such other matters as the Administrative Agent or L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the Administrative Agent and the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the Administrative Agent or the L/C Issuer may require. Additionally, the Lead Borrower shall furnish to the L/C 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 L/C Issuer or the Administrative Agent may require.

(ii) Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, endeavor to issue a Letter of Credit for the account of the applicable Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance or amendment of each Letter of

Credit, each Lender shall be deemed to (without any further action), and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer, without recourse or warranty, a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Letter of Credit. Upon any change in the Commitments under this Agreement, it is hereby agreed that with respect to all L/C Obligations, there shall be an automatic adjustment to the participations hereby created to reflect the new Applicable Percentages of the assigning and assignee Lenders.

(iii) If the Lead Borrower so requests in any applicable Letter of Credit Application, the Administrative Agent may, in its sole and absolute discretion, endeavor to cause the L/C Issuer to issue a Standby 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 L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Standby Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non-Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Standby Letter of Credit is issued. Unless otherwise directed by the Administrative Agent or the L/C Issuer, the Lead Borrower shall not be required to make a specific request to the Administrative Agent or the L/C 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 L/C Issuer to permit the extension of such Standby Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the Administrative Agent shall instruct the L/C Issuer not to permit any such extension if (A) the Administrative Agent has determined that it would not be permitted, or would have no obligation, at such time to endeavor to cause the L/C Issuer to issue such Standby Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.03(a) or otherwise), or (B) the L/C Issuer has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Lead Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Lead Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(c) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Administrative Agent shall notify the Lead Borrower thereof; provided, however, that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse the L/C Issuer and the Lenders with respect to any such payment. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrowers shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrowers fail to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrowers shall be deemed to have requested a Committed Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate

Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; provided that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrowers in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Committed Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrowers shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Committed Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Committed Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section 2.03(c), shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, any Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Lead Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrowers to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.03(c) by the time specified in Section 2.03(c)(ii), the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A

certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) Repayment of Participations.

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrowers or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent.

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable 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 Federal Funds 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.

(e) Obligations Absolute. The obligation of the Borrowers to reimburse the L/C 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 such Letter of Credit, this Agreement, or any other Loan Document;

(ii) the existence of any claim, counterclaim, setoff, defense or other right that the Borrowers or any Subsidiary may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(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) any payment by the L/C 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 L/C 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 any Debtor Relief Law;

(v) 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 Borrowers or any of their Subsidiaries; or

(vi) the fact that any Event of Default shall have occurred and be continuing.

The Lead Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Lead Borrower's instructions or other irregularity, the Lead Borrower will immediately notify the Administrative Agent and the L/C Issuer. The Borrowers shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrowers agree that, in paying any drawing under a Letter of Credit, the L/C 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 L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C 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 Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; (iii) any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit or any error in interpretation of technical terms; or (iv) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrowers' pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.03(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrowers may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrowers, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrowers which the Borrowers prove were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C 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 furtherance and not in limitation of the foregoing, the L/C 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 (or the L/C Issuer may refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit), and the L/C 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.

(g) Cash Collateral. Upon the request of the Administrative Agent, (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C Borrowing that remains outstanding, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrowers shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations. Sections 2.05 and 8.02(c) set forth certain additional requirements to deliver Cash Collateral hereunder. For purposes of

this [Section 2.03](#), [Section 2.05](#) and [Section 8.02\(c\)](#), “Cash Collateralize” means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances in an amount equal to 105% of the Outstanding Amount of all L/C Obligations, pursuant to documentation in form and substance satisfactory to the Administrative Agent and the L/C Issuer (which documents are hereby Consented to by the Lenders). The Borrowers hereby grant to the Collateral Agent a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, non-interest bearing deposit accounts at Wells Fargo. If at any time the Administrative Agent determines that any funds held as Cash Collateral are subject to any right or claim of any Person other than the Administrative Agent or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations, the Borrowers will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited as Cash Collateral, an amount equal to the excess of (x) such aggregate Outstanding Amount over (y) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Laws, to reimburse the L/C Issuer and, to the extent not so applied, shall thereafter be applied to satisfy other Obligations.

(h) [Applicability of ISP and UCP](#). Unless otherwise expressly agreed by the L/C Issuer and the Lead Borrower when a Letter of Credit is issued, (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.

(i) [Letter of Credit Fees](#). The Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the “Letter of Credit Fee”) for each Letter of Credit equal to the Applicable Rate times the daily Stated Amount under each such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit). For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with [Section 1.06](#). Letter of Credit Fees shall be (i) due and payable on the first day after the end of each month commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand, and (ii) computed on a monthly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under of each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate as provided in [Section 2.12\(b\)](#) hereof.

(j) [Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer](#). The Borrowers shall pay to the Administrative Agent, for the account of the L/C Issuer, a fronting fee (the “[Fronting Fee](#)”) (i) with respect to each Commercial Letter of Credit, at a rate equal to 0.125% per annum, computed on the amount of such Letter of Credit, and payable upon the issuance or amendment thereof, and (ii) with respect to each Standby Letter of Credit, at a rate equal to 0.125% per annum, computed on the daily amount available to be drawn under such Letter of Credit and on a quarterly basis in arrears. Such Fronting Fees shall be due and payable on the tenth Business Day after the end of each March, June, September and December, commencing with the first such date to occur after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with [Section 1.06](#). In addition, the Borrowers shall pay to the Administrative Agent, for the account of the L/C Issuer, the customary issuance, presentation, amendment

and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(k) 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.

2.04 Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender may, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, make loans (each such loan, a “Swing Line Loan”) to the Borrowers from time to time on any Business Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Committed Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender’s Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed the lesser of (A) the Aggregate Commitments, or (B) the Borrowing Base, and (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender at such time, plus such Lender’s Applicable Percentage of the Outstanding Amount of all L/C Obligations at such time, plus such Lender’s Applicable Percentage of the Outstanding Amount of all Swing Line Loans at such time shall not exceed such Lender’s Commitment, and provided, further, that the Borrowers shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, and provided further that the Swing Line Lender shall not be obligated to make any Swing Line Loan at any time when any Lender is at such time a Defaulting Lender or Deteriorating Lender hereunder, unless the Swing Line Lender has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the Swing Line Lender’s risk with respect to such Lender. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall bear interest only at a rate based on the Base Rate. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender’s Applicable Percentage times the amount of such Swing Line Loan. The Swing Line Lender shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with Swing Line Loans made by it or proposed to be made by it as if the term “Administrative Agent” as used in Article IX included the Swing Line Lender with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Swing Line Lender.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Lead Borrower’s irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Lead Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by

telephone or in writing) from the Administrative Agent at the request of the Required Lenders prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender may, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrowers at its office by crediting the account of the Lead Borrower on the books of the Swing Line Lender in immediately available funds.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrowers (which hereby irrevocably authorize the Swing Line Lender to so request on their behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Lead Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrowers in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Committed Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Committed Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrowers or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrowers to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrowers for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrowers shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) The Borrowers may, upon irrevocable notice from the Lead Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of LIBO Rate Loans and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of LIBO Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if LIBO Rate Loans, the Interest Period(s) of such Loans. The Administrative Agent will

promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Lead Borrower, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBO Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts required pursuant to Section 3.05. Each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) The Borrowers may, upon irrevocable notice from the Lead Borrower to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$100,000, or if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Lead Borrower, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceed the lesser of the Aggregate Commitments or the Borrowing Base, each as then in effect, the Borrowers shall immediately prepay Loans, Swing Line Loans and L/C Borrowings and/or Cash Collateralize the L/C Obligations (other than L/C Borrowings) in an aggregate amount equal to such excess; provided, however, that the Borrowers shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Loans the Total Outstandings exceed the lesser of the Aggregate Commitments or the Borrowing Base, each as then in effect.

(d) The Borrower shall prepay the Loans and Cash Collateralize the L/C Obligations in accordance with the provisions of Section 6.13 hereof.

(e) The Borrowers shall prepay the Loans and Cash Collateralize the L/C Obligations in an amount equal to the Net Cash Proceeds received by a Loan Party on account of a Prepayment Event.

(f) Prepayments made pursuant to Section 2.05(c), (d) and (e) above, first, shall be applied ratably to the L/C Borrowings and the Swing Line Loans, second, shall be applied ratably to the outstanding Committed Loans, third, shall be used to Cash Collateralize the remaining L/C Obligations; and, fourth, the amount remaining, if any, after the prepayment in full of all L/C Borrowings, Swing Line Loans and Committed Loans outstanding at such time and the Cash Collateralization of the remaining L/C Obligations in full may be retained by the Borrowers for use in the ordinary course of its business. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Borrowers or any other Loan Party) to reimburse the L/C Issuer or the Lenders, as applicable.

2.06 Termination or Reduction of Commitments

(a) The Borrowers may, upon irrevocable notice from the Lead Borrower to the Administrative Agent, terminate the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit or from time to time permanently reduce the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole

multiple of \$1,000,000 in excess thereof, (iii) the Borrowers shall not terminate or reduce (A) the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments, (B) the Letter of Credit Sublimit if, after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, and (C) the Swing Line Sublimit if, after giving effect thereto, and to any concurrent payments hereunder, the Outstanding Amount of Swing Line Loans hereunder would exceed the Swing Line Sublimit.

(b) If, after giving effect to any reduction of the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Commitments, such Letter of Credit Sublimit or Swing Line Sublimit shall be automatically reduced by the amount of such excess.

(c) The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Aggregate Commitments under this Section 2.06. Upon any reduction of the Aggregate Commitments, the Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees (including, without limitation, commitment fees, Early Termination Fees, and Letter of Credit Fees) and interest in respect of the Aggregate Commitments accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) The Borrower shall repay to the Lenders on the Termination Date the aggregate principal amount of Committed Loans outstanding on such date.

(b) To the extent not previously paid, the Borrower shall repay the outstanding balance of the Swing Line Loans on the Termination Date.

2.08 Interest.

(a) Subject to the provisions of Section 2.08(b) below, (i) each LIBO Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the LIBO Rate for such Interest Period plus the Applicable Margin; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) If any amount payable under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(i) If any other Event of Default exists, then the Administrative Agent may, and upon the request of the Required Lenders shall, notify the Lead Borrower that all outstanding Obligations shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate and thereafter such Obligations shall bear interest at the Default Rate to the fullest extent permitted by applicable Laws.

(ii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) Commitment Fee. The Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to 0.375% times the actual daily amount by which the Aggregate Commitments exceed the sum of (i) the Outstanding Amount of Loans and (ii) the Outstanding Amount of L/C Obligations. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable monthly in arrears on the first day after the end of each month, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The commitment fee shall be calculated quarterly in arrears.

(b) Early Termination Fee. In the event that the Termination Date occurs, for any reason, prior to the Maturity Date, or in the event that the Borrowers reduce (but do not terminate) the Aggregate Commitments prior to the Maturity Date, the Borrowers shall pay to the Administrative Agent, for the ratable benefit of the Lenders, a fee (the "Early Termination Fee") in respect of amounts which are or become payable by reason thereof equal to one percent (1.0%) of the Commitments then in effect (without regard to any termination thereof) or of the amount of any reduction in the Aggregate Commitments, as applicable, if the Termination Date or reduction shall occur at any time on or before November 28, 2011. All parties to this Agreement agree and acknowledge that the Lenders will have suffered damages on account of the early termination of this Agreement or any portion of the Commitments and that, in view of the difficulty in ascertaining the amount of such damages, the Early Termination Fee constitutes reasonable compensation and liquidated damages to compensate the Lenders on account thereof.

(c) Other Fees. The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees All computations of interest and fees shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by the Administrative Agent (the "Loan Account") in the ordinary course of business. In addition, each Lender may record in such Lender's internal records, an appropriate notation evidencing the date and amount of each Loan from such Lender, each payment and prepayment of principal of any such Loan, and each payment of interest, fees and other amounts due in connection

with the Obligations due to such Lender. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrowers shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. Upon receipt of an affidavit of a Lender as to the loss, theft, destruction or mutilation of such Lender's Note and upon cancellation of such Note, the Borrowers will issue, in lieu thereof, a replacement Note in favor of such Lender, in the same principal amount thereof and otherwise of like tenor.

(b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m., at the option of the Administrative Agent, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of LIBO Rate Loans (or in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date

such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation plus any administrative processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrowers, the interest rate applicable to Base Rate Loans. If the Borrowers and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrowers the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(i) Payments by Borrowers; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Lead Borrower prior to the time at which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Lead Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrowers by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof (subject to the provisions of the last paragraph of Section 4.02 hereof), the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to Section 10.04(c) are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under Section 10.04(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under Section 10.04(c).

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders. If any Credit Party shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, interest on, or other amounts with respect to, any of the Obligations resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Obligations greater than its pro rata share thereof as provided herein (including as in contravention of the priorities of payment set forth in Section 8.03), then the Credit Party receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Obligations of the other Credit Parties, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Credit Parties ratably and in the priorities set forth in Section 8.03, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Borrowers or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Settlement Amongst Lenders

(a) The amount of each Lender's Applicable Percentage of outstanding Loans (including outstanding Swing Line Loans), shall be computed weekly (or more frequently in the Administrative Agent's discretion) and shall be adjusted upward or downward based on all Loans (including Swing Line Loans) and repayments of Loans (including Swing Line Loans) received by the Administrative Agent as of 3:00 p.m. on the first Business Day (such date, the "Settlement Date") following the end of the period specified by the Administrative Agent.

(b) The Administrative Agent shall deliver to each of the Lenders promptly after a Settlement Date a summary statement of the amount of outstanding Committed Loans and Swing Line Loans for the period and the amount of repayments received for the period. As reflected on the summary statement, (i) the Administrative Agent shall transfer to each Lender its Applicable Percentage of repayments, and (ii) each Lender shall transfer to the Administrative Agent (as provided below) or the Administrative Agent shall transfer to each Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the amount of Committed Loans made by each Lender shall be equal to such Lender's Applicable Percentage of all Committed Loans outstanding as of such Settlement Date. If the summary statement requires transfers to be made to the Administrative Agent by the Lenders and is received prior to 1:00 p.m. on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. that day; and, if received after 1:00 p.m., then no later than 3:00 p.m. on the next Business Day. The obligation of each Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Administrative Agent. If and to the extent any Lender shall not have so made its transfer to the Administrative Agent, such Lender agrees to pay to the Administrative Agent, 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, equal to the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation plus any administrative, processing, or similar fees customarily charged by the Administrative Agent in connection with the foregoing.

2.15 Increase in Commitments.

(a) Request for Increase. Provided no Default then exists or would arise therefrom, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Lead Borrower may from time to time, request increases in the Aggregate Commitments by a total amount not exceeding \$25,000,000. At the time of sending such notice, the Lead Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent; Additional Lenders. The Administrative Agent shall notify the Lead Borrower and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent, the L/C Issuer and the Swing Line Lender (which approvals shall not be unreasonably withheld), to the extent that the existing Lenders decline to increase their Commitments, or decline to increase their Commitments to the amount requested by the Lead Borrower, the Administrative Agent, in consultation with the Lead Borrower, will use its reasonable efforts to arrange for other Eligible Assignees to become a Lender hereunder and to issue commitments in an amount equal to the amount of the increase in the Aggregate Commitments requested by the Lead Borrower and not accepted by the existing Lenders (and the Lead Borrower may also invite additional Eligible Assignees to become Lenders), *provided, however*, that without the consent of the Administrative Agent, at no time shall the Commitment of any additional Lender (the "Additional Commitment Lender") be less than \$5,000,000.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Lead Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Lead Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date and on the Effective Date (i) the Aggregate Commitments under, and for all purposes of, this Agreement shall be increased by the aggregate amount of such Commitment Increases, and (ii) Schedule 2.01 shall be deemed modified, without further action, to reflect the revised Commitments and Applicable Percentages of the Lenders.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, (i) the Lead Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrowers, certifying that, before and after giving effect to such increase, (1) the representations and warranties contained in Article V and the other Loan Documents are true and correct on and as of the Extension Effective Date, except to the extent that (x) such representations and warranties specifically refer to an earlier date, in which case they are true

and correct as of such earlier date, and except that for purposes of this Section 2.15, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (y) changes expressly contemplated by this Agreement and the other Loan Documents, (ii) the Borrowers, the Administrative Agent, and any Additional Commitment Lender shall have executed and delivered a joinder to the Loan Documents in such form as the Administrative Agent shall reasonably require; (iii) the Borrowers shall have paid such fees and other compensation to the Additional Commitment Lenders as the Lead Borrower and such Additional Commitment Lenders shall agree; (iv) the Borrowers shall have paid such arrangement fees to the Administrative Agent as the Lead Borrower and the Administrative Agent may agree; (v) the Borrowers shall deliver to the Administrative Agent and the Lenders an opinion or opinions, in form and substance reasonably satisfactory to the Administrative Agent, from counsel to the Borrowers reasonably satisfactory to the Administrative Agent and dated such date; (vi) the Borrowers and the Additional Commitment Lender shall have delivered such other instruments, documents and agreements as the Administrative Agent may reasonably have requested; and (vii) no Default exists.

(f) Conflicting Provisions. This Section shall supersede any provisions in Sections 2.13 or 10.01 to the contrary.

**ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY;
APPOINTMENT OF LEAD BORROWER**

3.01 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrowers shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrowers shall make such deductions and (iii) the Borrowers shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent, each Lender and the L/C Issuer, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and any penalties, interest and 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 such payment or liability delivered to the Lead Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority, the Lead Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Lead Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Lead Borrower or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. Such delivery shall be provided on the Closing Date and on or before such documentation expires or becomes obsolete or after the occurrence of an event requiring a change in the documentation most recently delivered. In addition, any Lender, if requested by the Lead Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Lead Borrower or the Administrative Agent as will enable the Lead Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, in the event that any Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to the Lead Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Lead Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign 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 Borrowers 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 (y) duly completed copies of Internal Revenue Service Form W-8BEN,

(iv) to the extent a Recipient is not a U.S. person within the meaning of Section 7701(a)(30) and is not the beneficial owner of payments made under this Agreement or any Loan Document (for example, where such Recipient is a non-U.S. partnership), (A) an IRS Form W-8IMY on behalf of itself and (B) the relevant forms prescribed in clauses (i), (ii), (iii), (v) and (vi) of this Section 3.01(e) that would be required of each such beneficial owner if such beneficial owner were a Recipient, or

(v) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Lead Borrower to determine the withholding or deduction required to be made.

(f) Transfer of Obligations. Notwithstanding anything to the contrary contained herein or in any Loan Document, if a Lender sells, assigns, grants a participation in or otherwise transfers all or part of the Obligations of the Loan Parties to such Lender, such Lender agrees to notify the Administrative Agent of the percentage amount in which it is no longer the beneficial owner of Obligations of the Loan Parties to such Lender. To the extent of such percentage amount, the Administrative Agent and the Borrower will treat such Lender's documentation provided pursuant to subsection (e) of this Section 3.01 as no longer valid. Neither the Borrower nor any other Loan Party shall make any greater payments pursuant to this Section 3.01 as a consequence of (i) such sale, assignment, participation or transfer or (ii) any change by a Lender of its designated lending branch.

(g) Treatment of Certain Refunds. If the Administrative Agent, any Lender or the L/C Issuer determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section, it shall pay to the Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent, such Lender or the L/C Issuer, 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 Borrowers, upon the request of the Administrative Agent, such Lender or the L/C Issuer, agree to repay the amount paid over to the Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or the L/C Issuer in the event the Administrative Agent, such Lender or the L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or the L/C Issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrowers or any other Person.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund LIBO Rate Loans, or to determine or charge interest rates based upon the LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Lead Borrower through the Administrative Agent, any obligation of such Lender to make or continue LIBO Rate Loans or to convert Base Rate Loans to LIBO Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Lead Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all LIBO Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such LIBO Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBO Rate Loans. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason in connection with any request for a LIBO Rate Loan or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such LIBO Rate Loan, (b) adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan, or (c) the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Lead Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended until the Administrative Agent (upon the

instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Lead Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBO Rate Loans or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

3.04 Increased Costs; Reserves on LIBO Rate Loans.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBO Rate) or the L/C Issuer;

(ii) subject any Lender or the L/C Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any LIBO Rate Loan made by it, or change the basis of taxation of payments to such Lender or the L/C Issuer in respect thereof (except for Taxes imposed by way of withholding or deduction, Indemnified Taxes or Other Taxes and amounts relating to the foregoing which shall be governed solely and exclusively by Section 3.01, and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the L/C Issuer); or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or LIBO Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBO Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Lead Borrower shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

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

(e) Reserves on LIBO Rate Loans. The Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each LIBO Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Lead Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any LIBO Rate Loan on a day other than the last day of the Interest Period for such LIBO Rate Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any LIBO Rate Loan on the date or in the amount notified by the Lead Borrower; or

(c) any assignment of a LIBO Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Lead Borrower pursuant to Section 10.13;

including any reasonably calculable loss of anticipated profits and any actual loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing, provided such administrative charges are associated with the foregoing but not

duplicative of the compensation for such loss, cost or expense otherwise described in this Section 3.05.

For purposes of calculating amounts payable by the Borrowers to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each LIBO Rate Loan made by it at the LIBO Rate for such Loan by a matching deposit or other borrowing in the London interbank market for a comparable amount and for a comparable period, whether or not such LIBO Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrowers may replace such Lender in accordance with Section 10.13.

3.07 Survival. All of the Borrowers' obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

3.08 Designation of Lead Borrower as Borrowers' Agent.

(a) Each Borrower hereby irrevocably designates and appoints the Lead Borrower as such Borrower's agent to obtain Credit Extensions, the proceeds of which shall be available to each Borrower for such uses as are permitted under this Agreement. As the disclosed principal for its agent, each Borrower shall be obligated to each Credit Party on account of Credit Extensions so made as if made directly by the applicable Credit Party to such Borrower, notwithstanding the manner by which such Credit Extensions are recorded on the books and records of the Lead Borrower and of any other Borrower. In addition, each Loan Party other than the Borrowers hereby irrevocably designates and appoints the Lead Borrower as such Loan Party's agent to represent such Loan Party in all respects under this Agreement and the other Loan Documents.

(b) Each Borrower recognizes that credit available to it hereunder is in excess of and on better terms than it otherwise could obtain on and for its own account and that one of the reasons therefor is its joining in the credit facility contemplated herein with all other Borrowers. Consequently, each Borrower hereby assumes and agrees to discharge all Obligations of each of the other Borrowers.

(c) The Lead Borrower shall act as a conduit for each Borrower (including itself, as a "Borrower") on whose behalf the Lead Borrower has requested a Credit Extension. Neither the

ARTICLE IV
CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension. The obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals, telecopies or other electronic image scan transmission (e.g., "pdf" or "tif" via e-mail) (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent:

(i) executed counterparts of this Agreement sufficient in number for distribution to the Administrative Agent, each Lender and the Lead Borrower;

(ii) a Note executed by the Borrowers in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing (A) the authority of each Loan Party to enter into this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party and (B) the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party;

(iv) copies of each Loan Party's Organization Documents and such other documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to so qualify in such jurisdiction could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of Lindquist & Vennum PLLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, as to such matters concerning the Loan Parties and the Loan Documents as the Administrative Agent may reasonably request;

(vi) a certificate signed by a Responsible Officer of the Lead Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, (B) that there has been no event or circumstance since January 31, 2010 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (C) to the Solvency of the Loan Parties as of the Closing Date after giving effect to the transactions contemplated hereby, and (D) either that (1) no consents, licenses or approvals are required in connection with the execution, delivery

and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, or (2) that all such consents, licenses and approvals have been obtained and are in full force and effect;

(vii) evidence that all insurance required to be maintained pursuant to the Loan Documents and all endorsements in favor of the Agents required under the Loan Documents have been obtained and are in effect;

(viii) a payoff letter from the agent for the lenders under the Existing Credit Agreement satisfactory in form and substance to the Administrative Agent evidencing that the Existing Credit Agreement has been or concurrently with the Closing Date is being terminated, all obligations thereunder are being paid in full, and all Liens securing obligations under the Existing Credit Agreement have been or concurrently with the Closing Date are being released;

(ix) the Security Documents (including, without limitation, the Mortgages, to the extent that Eligible Real Estate is included in the Borrowing Base as of the Closing Date) and certificates evidencing any stock being pledged thereunder, together with undated stock powers executed in blank, each duly executed by the applicable Loan Parties, subject to acceptable temporary escrow of certificates pending payment in full of obligations under the Existing Credit Agreement;

(x) all other Loan Documents, each duly executed by the applicable Loan Parties;

(xi) (A) appraisals (based on net liquidation value) by a third party appraiser acceptable to the Collateral Agent of all Inventory of the Borrowers, the results of which are satisfactory to the Collateral Agent and (B) a written report regarding the results of a commercial finance examination of the Loan Parties, which shall be satisfactory to the Collateral Agent;

(xii) results of searches or other evidence reasonably satisfactory to the Collateral Agent (in each case dated as of a date reasonably satisfactory to the Collateral Agent) indicating the absence of Liens on the assets of the Loan Parties, except for Permitted Encumbrances and Liens for which termination statements and releases, satisfactions and discharges of any Mortgages, and releases or subordination agreements satisfactory to the Collateral Agent are being tendered concurrently with such extension of credit or other arrangements satisfactory to the Collateral Agent for the delivery of such termination statements and releases, satisfactions and discharges have been made;

(xiii) (A) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create or perfect the first priority Liens intended to be created under the Loan Documents and all such documents and instruments shall have been so filed, registered or recorded to the satisfaction of the Collateral Agent, (B) the DDA Notifications, Credit Card Notifications, and Blocked Account Agreements required pursuant to Section 6.13 hereof, (C) control agreements with respect to the Loan Parties' securities and investment accounts, and (D) Collateral Access Agreements as required by the Collateral Agent;

(xiv) complete and correct copies of the Sponsor Note and the Trade Credit Documents, including Confirmation of Subordination Agreement (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith);

(xv) to the extent that Eligible Real Estate is included in the Borrowing Base as of the Closing Date:

(A) evidence that all other actions that the Collateral Agent may deem necessary or desirable in order to create valid first and subsisting Liens on the property described in the Mortgages has been taken;

(B) an appraisal of each of the properties described in the Mortgages complying with the requirements of FIRREA by a third party appraiser acceptable to the Collateral Agent and otherwise in form and substance satisfactory to the Collateral Agent;

(C) flood certificates with respect to each of the properties described in the Mortgages certifying that such properties are not in a flood zone otherwise the Administrative Agent shall be named as loss payee and additional insured on flood insurance reasonably acceptable to the Administrative Agent with respect to such properties; and

(xvi) such other assurances, certificates, documents, consents or opinions as the Agents reasonably may require.

(b) After giving effect to (i) the first funding under the Loans, (ii) any charges to the Loan Account made in connection with the establishment of the credit facility contemplated hereby and (iii) all Letters of Credit to be issued at, or immediately subsequent to, such establishment, Availability shall be not less than \$11,000,000.

(c) The Administrative Agent shall have received a Borrowing Base Certificate dated the Closing Date, relating to the period ended as of May 22, 2010, and executed by a Responsible Officer of the Lead Borrower.

(d) The Administrative Agent shall be reasonably satisfied that any financial statements delivered to it fairly present the business and financial condition of the Loan Parties and that there has been no Material Adverse Effect since the date of the most recent financial information delivered to the Administrative Agent.

(e) The Administrative Agent shall be reasonably satisfied that the Real Estate Eligibility Conditions have been satisfied to the extent that Eligible Real Estate is included in the Borrowing Base as of the Closing Date.

(f) The Administrative Agent shall have received and be satisfied with (i) a detailed forecast for the period commencing on the Closing Date and ending January 29, 2011, which shall include an Availability model, Consolidated income statement, balance sheet, and statement of cash flow, by month, each prepared in conformity with GAAP and consistent with the Loan Parties' then current practices and (b) such other information (financial or otherwise) reasonably requested by the Administrative Agent.

(g) There shall not be pending any litigation or other proceeding, the result of which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(h) There shall not have occurred any default of any Material Contract of any Loan Party.

(i) The consummation of the transactions contemplated hereby shall not violate any Applicable Law or any Organization Document.

(j) All fees required to be paid to the Lenders on or before the Closing Date shall have been paid in full.

(k) The Borrowers shall have paid all fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Administrative Agent).

(l) The Administrative Agent shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

(m) No material changes in governmental regulations or policies affecting any Loan Party or any Credit Party shall have occurred prior to the Closing Date.

(n) There shall not have occurred any disruption or material adverse change in the United States financial or capital markets in general that has had, in the reasonable opinion of the Administrative Agent, a material adverse effect on the market for loan syndications or adversely affecting the syndication of the Loans.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, 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 Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of LIBO Rate Loans) and each L/C Issuer to issue each Letter of Credit is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, and except that for purposes of this Section 4.02, the representations and warranties

contained in subsections (a), (b) and (e) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a), (b) and (d), respectively, of Section 6.01.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) No event or circumstance which could reasonably be expected to result in a Material Adverse Effect shall have occurred.

(e) No Overadvance shall result from such Credit Extension.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of LIBO Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty by the Borrowers that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension. The conditions set forth in this Section 4.02 are for the sole benefit of the Credit Parties but until the Required Lenders otherwise direct the Administrative Agent to cease making Committed Loans, the Lenders will fund their Applicable Percentage of all Loans and L/C Advances and participate in all Swing Line Loans and Letters of Credit whenever made or issued, which are requested by the Lead Borrower and which, notwithstanding the failure of the Loan Parties to comply with the provisions of this Article IV, agreed to by the Administrative Agent, provided, however, the making of any such Loans or the issuance of any Letters of Credit shall not be deemed a modification or waiver by any Credit Party of the provisions of this Article IV on any future occasion or a waiver of any rights or the Credit Parties as a result of any such failure to comply.

ARTICLE V REPRESENTATIONS AND WARRANTIES

To induce the Credit Parties to enter into this Agreement and to make Loans and to issue Letters of Credit hereunder, each Loan Party represents and warrants to the Administrative Agent and the other Credit Parties that:

5.01 Existence, Qualification and Power. Each Loan Party and each Subsidiary thereof (a) is a corporation, limited liability company, partnership or limited partnership, duly incorporated, organized or formed, validly existing and, where applicable, in good standing under the Laws of the jurisdiction of its incorporation, organization, or formation (b) has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, where applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. Schedule 5.01 annexed hereto sets forth, as of the Closing Date, each Loan Party's name as it appears in official filings in its state of incorporation or organization, its state of incorporation or organization, organization type, organization number, if any, issued by its state of incorporation or organization, and its federal employer identification number.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party, has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach, termination, or contravention of, or constitute a default under, or require any payment to be made under (i) any Material Contract or any Material Indebtedness to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (c) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Collateral Agent under the Security Documents); or (d) violate any Law.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (a) the perfection or maintenance of the Liens created under the Security Documents (including the first priority nature thereof) or (b) such as have been obtained or made and are in full force and effect.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements to be provided on or before July 1, 2010, will (i) be prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby; and (iii) show all Material Indebtedness and other liabilities, direct or contingent, of the Parent and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited Consolidated and consolidating balance sheet of the Parent and its Subsidiaries dated May 1, 2010, and the related Consolidated and consolidating statements of income or operations, Shareholders' Equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments. Schedule 5.05 sets forth all Material Indebtedness of the Loan Parties and their Consolidated Subsidiaries as of the date of such financial statements, including liabilities for taxes, material commitments and Material Indebtedness.

(c) Since January 31, 2010, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

Intentionally Omitted.

The Consolidated and consolidating forecasted balance sheet and statements of income and cash flows of the Parent and its Subsidiaries delivered pursuant to Section 6.01(d) will be prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Loan Parties' best estimate of its future financial performance.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries or against any of its properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) except as specifically disclosed in Schedule 5.06, either individually or in the aggregate, if determined adversely, could reasonably be expected to have a Material Adverse Effect, and there has been no adverse change in the status, or financial effect on any Loan Party or any Subsidiary thereof, of the matters described on Schedule 5.06.

5.07 No Default. Except as disclosed on Schedule 5.07, no Loan Party or any Subsidiary is in default under or with respect to any Material Contract or any Material Indebtedness. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens

(a) Each of the Loan Parties and each Subsidiary thereof has good record and marketable title in fee simple to or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, free and clear of all Liens, other than Permitted Encumbrances. Each of the Loan Parties and each Subsidiary has good and marketable title to, valid leasehold interests in, or valid licenses to use all personal property and assets material to the ordinary conduct of its business.

(b) Schedule 5.08(b)(1) sets forth the address (including street address, county and state) of all Real Estate that is owned by the Loan Parties, together with a list of the holders of any mortgage or other Lien thereon as of the Closing Date. Schedule 5.08(b)(2) sets forth the address (including street address, county and state) of all Leases of the Loan Parties, together with a list of the lessor and its contact information with respect to each such Lease as of the Closing Date. Each of such Leases is in full force and effect and the Loan Parties are not in default of the terms thereof.

(c) Schedule 7.01 sets forth a complete and accurate list of all Liens on the property or assets of each Loan Party and each of its Subsidiaries, showing as of the Closing Date the lienholder thereof, the principal amount of the obligations secured thereby and the property or assets of such Loan Party or such Subsidiary subject thereto. The property of each Loan Party and each of its Subsidiaries is subject to no Liens, other than Permitted Encumbrances.

(d) Schedule 7.02 sets forth a complete and accurate list of all Investments held by any Loan Party or any Subsidiary of a Loan Party on the Closing Date, showing as of the date hereof the amount, obligor or issuer and maturity, if any, thereof.

(e) Schedule 7.03 sets forth a complete and accurate list of all Indebtedness of each Loan Party or any Subsidiary of a Loan Party on the Closing Date, showing as of the date hereof the amount, obligor or issuer and maturity thereof.

5.09 Environmental Compliance

(a) Except as specifically disclosed in Schedule 5.09, no Loan Party or any Subsidiary thereof (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) to the Knowledge of the Senior Executive Officers, is aware of any basis for any Environmental Liability, except, in each case, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except as otherwise set forth in Schedule 5.09, (i) none of the properties currently or formerly owned or currently operated by any Loan Party or any Subsidiary thereof is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list; (ii) there are no underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned by any Loan Party or any Subsidiary thereof; (iii) to the Knowledge of the Senior Executive Officers, there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party or Subsidiary thereof; and (iv) Hazardous Materials have not been unlawfully released, discharged or disposed of by any Loan Party or Subsidiary thereof on any property currently or formerly owned or operated by any Loan Party or any Subsidiary thereof.

(c) Except as otherwise set forth on Schedule 5.09, no Loan Party or any Subsidiary thereof is undertaking, and no Loan Party or any Subsidiary thereof has completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party or any Subsidiary thereof have been disposed of in a manner not reasonably expected to result in material liability to any Loan Party or any Subsidiary thereof.

5.10 Insurance. The properties of the Loan Parties and their Subsidiaries are insured with insurance companies which are financially sound and reputable to the actual knowledge of the Senior Executive Officers and which are not Affiliates of the Loan Parties, in such amounts, with such deductibles and covering such risks (including, without limitation, workmen's compensation, public liability, business interruption and property damage insurance) as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties or the applicable Subsidiary operates. Schedule 5.10 sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the Closing Date. Each insurance policy listed on Schedule 5.10 is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

5.11 Taxes. The Loan Parties and their Subsidiaries have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those relating to Allowed Priority Tax Claims (as defined in the Plan of Reorganization) which will be paid pursuant to the Plan of Reorganization, and those which are being contested in good faith by appropriate proceedings being diligently conducted, for which adequate reserves have been provided in accordance with GAAP, as to which Taxes no Lien (other than Permitted Encumbrances) has been filed and which contest effectively suspends the collection of the contested obligation and the enforcement of any Lien securing such obligation. None of the Loan Parties or any of their Subsidiaries has received written notice of a proposed tax assessment against any such Loan Party or Subsidiary that would, if made, have a Material Adverse Effect. No Loan Party or any Subsidiary thereof is a party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan is in substantial compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Plan that is intended to qualify under Section 401(a) of the Code or sponsor of such plan has received a favorable determination, opinion or advisory letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the Lead Borrower, nothing has occurred which would prevent, or cause the loss of, such qualification. The Loan Parties and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan. No Lien imposed under the Code or ERISA exists to the Knowledge of the Lead Borrower or is likely to arise on account of any Plan.

(b) There are no pending or, to the knowledge of the Lead Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or, if applicable, violation of the ERISA fiduciary responsibility rules with respect to any Plan that has resulted or to the Knowledge of the Lead Borrower could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has any Unfunded Pension Liability; (iii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

5.13 Subsidiaries; Equity Interests. The Loan Parties have no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, which Schedule sets forth the legal name, jurisdiction of incorporation or formation and authorized Equity Interests of each such Subsidiary. All of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and non-assessable and are owned by a Loan Party (or a Subsidiary of a Loan Party) in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens except for those created under the Security Documents. Except as set forth in Schedule 5.13, there are no outstanding rights to purchase any Equity Interests in any Subsidiary. The Loan Parties have no equity investments in any other corporation or entity other than those specifically disclosed in Part(b) of Schedule 5.13. All of the outstanding Equity Interests in the Loan Parties have been validly issued, and are fully paid and non-assessable and are owned in the amounts specified on Part (c) of Schedule 5.13 free and clear of all Liens except for those created under the Security Documents. The copies of the Organization Documents of each Loan Party and each amendment thereto provided pursuant to Section 4.01 are true and correct copies of each such document, each of which is valid and in full force and effect.

5.14 Margin Regulations; Investment Company Act;

(a) No Loan Party is engaged or will be engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of the Credit Extensions shall be used directly or indirectly for the purpose

of purchasing or carrying any margin stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any margin stock or for any other purpose that might cause any of the Credit Extensions to be considered a “purpose credit” within the meaning of Regulations T, U, or X issued by the FRB.

(b) None of the Loan Parties, any Person Controlling any Loan Party, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.15 Disclosure. Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws. Each of the Loan Parties and each Subsidiary is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. The Loan Parties and their Subsidiaries own, or possess the right to use, all of the Intellectual Property, licenses, permits and other authorizations that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Lead Borrower, no slogan or other advertising device, product, process, method, part or other material now employed, or now contemplated to be employed, by any Loan Party or any Subsidiary infringes upon any rights held by any other Person. Except as specifically disclosed in Schedule 5.17, no claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Lead Borrower, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Labor Matters.

There are no strikes, lockouts, slowdowns or other material labor disputes against any Loan Party or any Subsidiary thereof pending or, to the knowledge of any Loan Party, threatened. To the Knowledge of the Senior Executive Officers, the hours worked by and payments made to employees of the Loan Parties comply with the Fair Labor Standards Act and any other applicable federal, state, local or foreign Law dealing with such matters except to the extent that any such violation could not reasonably be expected to have a Material Adverse Effect. No Loan Party or any of its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Act or similar state Law. All payments due from any Loan Party and its Subsidiaries, or for which any claim may be made against any Loan Party or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or properly accrued in accordance with GAAP as a liability on the books of

such Loan Party. Except as set forth on Schedule 5.18, no Loan Party or any Subsidiary is a party to or bound by any collective bargaining agreement, management agreement, employment agreement, bonus, restricted stock, stock option, or stock appreciation plan or agreement or any similar plan, agreement or arrangement. There are no representation proceedings pending or, to any Loan Party's knowledge, threatened to be filed with the National Labor Relations Board, and no labor organization or group of employees of any Loan Party or any Subsidiary has made a pending demand for recognition. Except as set forth on Schedule 5.18, there are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against any Loan Party or any Subsidiary pending or, to the knowledge of any Loan Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of any Loan Party or any of its Subsidiaries. The consummation of the transactions contemplated by the Loan Documents will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Loan Party or any of its Subsidiaries is bound.

5.19 Intentionally Omitted.

5.20 Solvency

After giving effect to the transactions contemplated by this Agreement, and before and after giving effect to each Credit Extension, the Loan Parties, on a Consolidated basis, are Solvent. No transfer of property has been or will be made by any Loan Party and no obligation has been or will be incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of any Loan Party.

5.21 Deposit Accounts; Credit Card Arrangements.

(a) Annexed hereto as Schedule 5.21(a) is a list of all DDAs and Blocked Accounts maintained by the Loan Parties as of the Closing Date, which Schedule includes, with respect to each DDA and each Blocked Account (i) the name and address of the depository; (ii) the account number(s) maintained with such depository; (iii) a contact person at such depository, and (iv) the identification of each Blocked Account Bank.

(b) Annexed hereto as Schedule 5.21(b) is a list describing all arrangements as of the Closing Date to which any Loan Party is a party with respect to the processing and/or payment to such Loan Party of the proceeds of any credit card charges for sales made by such Loan Party.

5.22 Brokers. No broker or finder brought about the obtaining, making or closing of the Loans or transactions contemplated by the Loan Documents, and no Loan Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith.

5.23 Customer and Trade Relations. There exists no actual or, to the knowledge of any Loan Party, threatened, termination or cancellation of, or any material adverse modification or change in the business relationship of any Loan Party with any supplier material to its operations.

5.24 Material Contracts. Schedule 5.24 sets forth all Material Contracts to which any Loan Party is a party or is bound as of the Closing Date. The Loan Parties have delivered true, correct and complete copies of such Material Contracts to the Administrative Agent on or before the date hereof. The Loan Parties are not in breach or in default in any material respect of or under any Material Contract and have not received any notice of the intention of any other party thereto to terminate any Material Contract.

5.25 Casualty. Neither the businesses nor the properties of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

ARTICLE VI AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Loan Parties shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, and 6.03) cause each Subsidiary to:

6.01 Financial Statements. Deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent:

(a) as soon as available, but in any event within 90 days after the end of each Fiscal Year of the Parent, a Consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of such Fiscal Year, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by (i) a report and unqualified opinion of a Registered Public Accounting Firm reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and such consolidating statements to be certified by a Responsible Officer of the Lead Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

(b) as soon as available, but in any event within 45 days after the end of each of the Fiscal Quarters of each Fiscal Year of the Parent, a Consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of such Fiscal Quarter, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Quarter and for the portion of the Parent's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) hereof, (B) the corresponding Fiscal Quarter of the previous Fiscal Year and (C) the corresponding portion of the previous Fiscal Year, all in reasonable detail, such Consolidated statements to be certified by a Responsible Officer of the Lead Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Parent and its Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes and such consolidating statements to be certified by a Responsible Officer of the Lead Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

(c) as soon as available, but in any event within 30 days after the end of each of the Fiscal Months of each fiscal year of the Parent, a consolidated and, if requested by Administrative

Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of such Fiscal Month, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Month, and for the portion of the Parent's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) hereof, (B) the corresponding Fiscal Month of the previous Fiscal Year and (C) the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by a Responsible Officer of the Lead Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Parent and its Subsidiaries as of the end of such Fiscal Month in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes and such consolidating statements to be certified by a Responsible Officer of the Lead Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

(d) as soon as available, but in any event no more than 30 days after the end of each Fiscal Year of the Parent, forecasts prepared by management of the Lead Borrower, in form satisfactory to the Administrative Agent, of consolidated balance sheets and statements of income or operations and cash flows of the Parent and its Subsidiaries on a monthly basis for the immediately following Fiscal Year (including the fiscal year in which the Maturity Date occurs), and as soon as available, any significant revisions to such forecast with respect to such Fiscal Year.

6.02 Certificates; Other Information. Deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Section 6.01(a), a certificate of its Registered Public Accounting Firm certifying such financial statements;

(b) (i) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) and (c), a duly completed Compliance Certificate signed by a Responsible Officer of the Lead Borrower, and (ii) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) a copy of management's discussion and analysis with respect to such financial statements;

(c) on the 5th day of each Fiscal Month (or, if such day is not a Business Day, on the next succeeding Business Day), a certificate in the form of Exhibit G (a "Borrowing Base Certificate") showing the Borrowing Base as of the close of business as of the last day of the immediately preceding Fiscal Month, each Borrowing Base Certificate to be certified as complete and correct by a Responsible Officer of the Lead Borrower; provided that at any time that an Accelerated Borrowing Base Delivery Event has occurred and is continuing, such Borrowing Base Certificate shall be delivered 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;

(d) promptly upon receipt, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by its Registered Public Accounting Firm in connection with the accounts or books of the Loan Parties or any Subsidiary, or any audit of any of them, including, without limitation, specifying any Internal Control Event;

(e) The financial and collateral reports described on Schedule 6.02 hereto, at the times set forth in such Schedule;

(f) as soon as available, but in any event within 30 days after the end of each fiscal year of the Loan Parties, a report summarizing the insurance coverage (specifying type, amount and carrier) in effect for each Loan Party and its Subsidiaries and containing such additional information as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably specify;

(g) promptly after the Administrative Agent's request therefor, copies of all Material Contracts and documents evidencing Material Indebtedness; and

(h) promptly, such additional information regarding the business affairs, financial condition or operations of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a), (b), or (c) or Section 6.02(d) (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 date (i) on which the Lead Borrower posts such documents, or provides a link thereto on the Lead Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Lead Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Lead Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Lead Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Lead Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) 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. Notwithstanding anything contained herein, in every instance the Lead Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(b) to the Administrative Agent. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Loan Parties with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Loan Parties hereby acknowledge that (a) the Administrative Agent and/or the Arranger will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties hereby agree that they will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked

“PUBLIC” which, at a minimum, shall mean that the word “PUBLIC” shall appear prominently on the first page thereof; (x) by marking Borrower Materials “PUBLIC,” the Loan Parties shall be deemed to have authorized the Administrative Agent, the Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Loan Parties or their securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked “PUBLIC” are permitted to be made available through a portion of the Platform designated “Public Investor”; and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked “PUBLIC” as being suitable only for posting on a portion of the Platform not designated “Public Investor.”

6.03 Notices. Promptly notify the Administrative Agent:

- (a) of the occurrence of any Default, to the Knowledge of a Senior Executive Officer;
- (b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Material Contract or with respect to Material Indebtedness of any Loan Party or any Subsidiary thereof; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Subsidiary thereof and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary thereof, including pursuant to any applicable Environmental Laws;
- (c) of the occurrence of any ERISA Event, to the Knowledge of a Senior Executive Officer;
- (d) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof;
- (e) of any change in any Loan Party’s Senior Executive Officers;
- (f) of the discharge by any Loan Party of its present Registered Public Accounting Firm or any withdrawal or resignation by such Registered Public Accounting Firm;
- (g) of any collective bargaining agreement or other labor contract to which a Loan Party becomes a party, or the application for the certification of a collective bargaining agent;
- (h) of the filing of any Lien for unpaid Taxes against any Loan Party, to the Knowledge of a Senior Executive Officer;
- (i) of any casualty or other insured damage to any material portion of the Collateral, to the Knowledge of a Senior Executive Officer, or the commencement of any action or proceeding for the taking of any interest in a material portion of the Collateral under power of eminent domain or by condemnation or similar proceeding or if any material portion of the Collateral is damaged or destroyed; and
- (j) of any transaction of the nature contained in ARTICLE VII hereof, occurring after the Closing Date, including, without limitation, (i) the entry by a Loan Party into a Material

Contract, (ii) the incurrence by a Loan Party of Material Indebtedness, (iii) the voluntary or, to the actual knowledge of a Senior Executive Officer, involuntary grant of any Lien upon any property of a Loan Party; or (iv) the making of any Investments by a Loan Party.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Lead Borrower setting forth details of the occurrence referred to therein and stating what action the Lead Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, (b) all lawful claims (including, without limitation, claims of landlords, warehousemen, customs brokers, and carriers) which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, except, in each case, where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation, (d) no Lien has been filed with respect thereto and (e) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect. Nothing contained herein shall be deemed to limit the rights of the Agents with respect to determining Reserves pursuant to this Agreement.

6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization or formation except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses, including all Federal firearm licenses, and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its Intellectual Property, except to the extent such Intellectual Property is no longer used or useful in the conduct of the business of the Loan Parties.

6.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.07 Maintenance of Insurance. Maintain with financially sound and reputable insurance companies reasonably acceptable to the Administrative Agent not Affiliates of the Loan Parties, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and operating in the same or similar locations or as is required by applicable Law, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and as are reasonably acceptable to the Administrative Agent.

(a) Fire and extended coverage policies maintained with respect to any Collateral shall be endorsed or otherwise amended to include, as the insurable interest of the Loan Parties, Collateral Agent, Administrative Agent or Credit Parties should appear, (i) a non-contributing mortgage clause (regarding improvements to real property) and lenders' loss payable clause (regarding personal property), in form and substance satisfactory to the Collateral Agent, which endorsements or amendments shall

provide that the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Collateral Agent, (ii) a provision to the effect that none of the Loan Parties, Credit Parties or any other Person shall be a co-insurer and (iii) such other provisions as the Collateral Agent may reasonably require from time to time to protect the interests of the Credit Parties. Commercial general liability policies shall be endorsed to name the Collateral Agent as an additional insured. Business interruption policies shall name the Collateral Agent as a loss payee and shall be endorsed or amended to include, as the insurable interest of the Loan Parties, Collateral Agent, Administrative Agent or Credit Parties should appear, (1) a provision that, from and after the Closing Date, the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Collateral Agent, (2) a provision to the effect that none of the Loan Parties, the Administrative Agent, the Collateral Agent or any other party shall be a co-insurer and (3) such other provisions as the Collateral Agent may reasonably require from time to time to protect the interests of the Credit Parties. Each such policy referred to in this Section 6.07(b) shall also provide that it shall not be canceled, modified or not renewed (y) by reason of nonpayment of premium except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (z) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Collateral Agent. The Lead Borrower shall deliver to the Collateral Agent, prior to the cancellation, modification or non-renewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent, including an insurance binder) together with evidence satisfactory to the Collateral Agent of payment of the premium therefor.

(b) If at any time the area in which any Eligible Real Estate is located is designated (i) a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as is reasonable and customary for companies engaged in the retail business, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended from time to time, or (ii) a "Zone 1" area, obtain earthquake insurance in such total amount as is reasonable and customary for companies engaged in its business.

(c) None of the Credit Parties, or their agents or employees shall be liable for any loss or damage insured by the insurance policies required to be maintained under this Section 6.07. Each Loan Party shall look solely to its insurance companies or any other parties other than the Credit Parties for the recovery of such loss or damage and such insurance companies shall have no rights of subrogation against any Credit Party or its agents or employees. If, however, the insurance policies do not provide waiver of subrogation rights against such parties, as required above, then the Loan Parties hereby agree, to the extent permitted by law, to waive their right of recovery, if any, against the Credit Parties and their agents and employees. The designation of any form, type or amount of insurance coverage by the any Credit Party under this Section 6.07 shall in no event be deemed a representation, warranty or advice by such Credit Party that such insurance is adequate for the purposes of the business of the Loan Parties or the protection of their properties.

(d) Maintain for themselves and their Subsidiaries, a Directors and Officers insurance policy, and a "Blanket Crime" policy including employee dishonesty, forgery or alteration, theft, disappearance and destruction, robbery and safe burglary, property, and computer fraud coverage with responsible companies in such amounts as are customarily carried by business entities engaged in similar businesses similarly situated, and will upon request by the Administrative Agent furnish the Administrative Agent certificates evidencing renewal of each such policy.

(e) Permit any representatives that are designated by the Collateral Agent to inspect the insurance policies maintained by or on behalf of the Loan Parties and to inspect books and records

related thereto and any properties covered thereby. The Loan Parties shall pay the reasonable fees and expenses of any representatives retained by the Collateral Agent to conduct any such inspection.

6.08 Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been set aside and maintained by the Loan Parties in accordance with GAAP; (b) such contest effectively suspends enforcement of the contested Laws, and (c) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records; Accountants

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Loan Parties or such Subsidiary, as the case may be; and (ii) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Loan Parties or such Subsidiary, as the case may be.

(b) at all times retain a Registered Public Accounting Firm which is reasonably satisfactory to the Administrative Agent and shall instruct such Registered Public Accounting Firm to cooperate with, and be available to, the Administrative Agent or its representatives to discuss the Loan Parties' financial performance, financial condition, operating results, controls, and such other matters, within the scope of the retention of such Registered Public Accounting Firm, as may be raised by the Administrative Agent.

6.10 Inspection Rights

(a) Permit representatives and independent contractors of the Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and Registered Public Accounting Firm, all at the expense of the Loan Parties and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Lead Borrower; provided, however, that when an Event of Default exists the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours and without advance notice.

(b) Upon the request of the Administrative Agent after reasonable prior notice, permit the Administrative Agent or professionals (including investment bankers, consultants, accountants, lawyers and appraisers) retained by the Administrative Agent to conduct appraisals, commercial finance examinations and other evaluations, including, without limitation, of (i) the Lead Borrower's practices in the computation of the Borrowing Base and (ii) the assets included in the Borrowing Base and related financial information such as, but not limited to, sales, gross margins, payables, accruals and reserves. The Loan Parties shall pay the fees and expenses of the Administrative Agent and such professionals with respect to such evaluations and appraisals. Without limiting the foregoing, the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake, at the Loan Parties' expense, up to (X) two (2) inventory appraisals and two (2) commercial finance examinations in any Fiscal Year when Availability is at all times during such Fiscal Year greater than or equal to 25% of the Loan Cap, and (Y) up to four (4) inventory appraisals and four (4) commercial finance examinations in any Fiscal Year when

Availability is at any time during such Fiscal Year less than 25% of the Loan Cap. Notwithstanding anything to the contrary contained herein, the Administrative Agent may cause additional inventory appraisals and commercial finance examinations to be undertaken (x) as it in its discretion deems necessary or appropriate, at its own expense, or (y) at the expense of the Loan Parties, at any time required by applicable Law or if a Default shall have occurred and be continuing.

(c) Permit the Administrative Agent, from time to time, engage a geohydrologist, an independent engineer or other qualified consultant or expert, reasonably acceptable to the Administrative Agent, at the expense of the Loan Parties, to undertake Phase I environmental site assessments during the term of this Agreement of the Eligible Real Estate, provided that such assessments may only be undertaken (i) during the continuance of an Event of Default. (ii) if a Loan Party receives any notice or obtains knowledge of (A) any potential or known release of any Hazardous Materials at or from any Eligible Real Estate, notification of which must be given to any Governmental Authority under any Environmental Law, or notification of which has, in fact, been given to any Governmental Authority, or (B) any complaint, order, citation or notice with regard to air emissions, water discharges, or any other environmental health or safety matter affecting any Loan Party or any Eligible Real Estate from any Person (including, without limitation, the Environmental Protection Agency). Environmental assessments may include detailed visual inspections of the Real Estate, including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analyses as are reasonably necessary for a determination of the compliance of the Real Estate and the use and operation thereof with all applicable Environmental Laws. The Borrowers will, and will cause each of their Subsidiaries to, cooperate in all respects with the Administrative Agent and such third parties to enable such assessment and evaluation to be timely completed in a manner reasonably satisfactory to the Administrative Agent.

6.11 Use of Proceeds. Use the proceeds of the Credit Extensions (a) to finance the acquisition of working capital assets of the Borrowers, including the purchase of inventory and equipment, in each case in the ordinary course of business, (b) to finance Capital Expenditures of the Borrowers, (c) for general corporate purposes of the Loan Parties, in each case to the extent expressly permitted under applicable Law and the Loan Documents, and (d) to pay in full any obligations outstanding under the Existing Credit Agreement.

6.12 Additional Loan Parties. Notify the Administrative Agent at the time that any Person becomes a Subsidiary, and promptly thereafter (and in any event within fifteen (15) days), cause any such Person (a) which is not a CFC, to (i) become a Loan Party by executing and delivering to the Administrative Agent a Joinder to this Agreement or a counterpart of the Facility Guaranty or such other document as the Administrative Agent shall deem appropriate for such purpose, (ii) grant a Lien to the Collateral Agent on such Person's assets to secure the Obligations, and (iii) deliver to the Administrative Agent documents of the types referred to in clauses (iii) and (iv) of Section 4.01(a) and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (a)), and (b) if any Equity Interests or Indebtedness of such Person are owned by or on behalf of any Loan Party, to pledge such Equity Interests and promissory notes evidencing such Indebtedness (except that, if such Subsidiary is a CFC, the Equity Interests of such Subsidiary to be pledged may be limited to 65% of the outstanding voting Equity Interests of such Subsidiary and 100% of the non-voting Equity Interests of such Subsidiary and such time period may be extended based on local law or practice), in each case in form, content and scope reasonably satisfactory to the Administrative Agent. In no event shall compliance with this Section 6.12 waive or be deemed a waiver or Consent to any transaction giving rise to the need to comply with this Section 6.12 if such transaction was not otherwise expressly permitted by this Agreement or constitute or

be deemed to constitute, with respect to any Subsidiary, an approval of such Person as a Borrower or permit the inclusion of any acquired assets in the computation of the Borrowing Base.

6.13 Cash Management.

(a) On or prior to the Closing Date:

(i) deliver to the Administrative Agent originals of notifications (each, a "DDA Notification") substantially in the form attached hereto as Exhibit H which have been executed on behalf of such Loan Party, which shall be delivered by the Administrative Agent to each depository institution listed on Schedule 5.21(a);

(ii) deliver to the Administrative Agent originals of notifications (each, a "Credit Card Notification") substantially in the form attached hereto as Exhibit I which have been executed on behalf of such Loan Party, which shall be delivered by the Administrative Agent to such Loan Party's credit card clearinghouses and processors listed on Schedule 5.21(b); and

(iii) enter into a Blocked Account Agreement satisfactory in form and substance to the Agents with each Blocked Account Bank (collectively, the "Blocked Accounts").

(b) The Loan Parties shall ACH or wire transfer no less frequently than daily (and whether or not there are then any outstanding Obligations) to a Blocked Account all amounts on deposit in each such DDA and all payments due from credit card processors.

(c) Each Blocked Account Agreement shall require the ACH or wire transfer no less frequently than daily (and whether or not there are then any outstanding Obligations) to the concentration account maintained by the Collateral Agent at Wells Fargo (the "Concentration Account"), of all cash receipts and collections, including, without limitation, the following:

(i) all available cash receipts from the sale of Inventory and other assets (whether or not constituting Collateral);

(ii) all proceeds of collections of Accounts;

(iii) all Net Proceeds, and all other cash payments received by a Loan Party from any Person or from any source or on account of any sale or other transaction or event, including, without limitation, any Prepayment Event;

(iv) the then current contents of each DDA (net of any minimum balance, not to exceed \$2,500.00, as may be required to be kept in the subject DDA by the depository institution at which such DDA is maintained);

(v) the then current entire ledger balance of each Blocked Account (net of any minimum balance, not to exceed \$2,500.00, as may be required to be kept in the subject Blocked Account by the Blocked Account Bank); and

(vi) the proceeds of all credit card charges.

(d) The Concentration Account shall at all times be under the sole dominion and control of the Collateral Agent. The Loan Parties hereby acknowledge and agree that (i) the Loan Parties have no right of withdrawal from the Concentration Account, (ii) the funds on deposit in the

Concentration Account shall at all times be collateral security for all of the Obligations and (iii) the funds on deposit in the Concentration Account shall be applied as provided in this Agreement. In the event that, notwithstanding the provisions of this Section 6.13, any Loan Party receives or otherwise has dominion and control of any such proceeds or collections, such proceeds and collections shall be held in trust by such Loan Party for the Administrative Agent, shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall, not later than the Business Day after receipt thereof, be deposited into the Concentration Account or dealt with in such other fashion as such Loan Party may be instructed by the Administrative Agent.

(e) Upon the request of the Administrative Agent, the Loan Parties shall cause bank statements and/or other reports to be delivered to the Administrative Agent not less often than monthly, accurately setting forth all amounts deposited in each Blocked Account to ensure the proper transfer of funds as set forth above.

6.14 Information Regarding the Collateral.

(a) Furnish to the Administrative Agent at least thirty (30) days prior written notice of any change in: (i) any Loan Party's name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties; (ii) the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility); (iii) any Loan Party's organizational structure or jurisdiction of incorporation or formation; or (iv) any Loan Party's Federal Taxpayer Identification Number or organizational identification number assigned to it by its state of organization. The Loan Parties agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all the Collateral for its own benefit and the benefit of the other Credit Parties.

(b) Should any of the information on any of the Schedules hereto become inaccurate or misleading in any material respect as a result of changes after the Closing Date, the Lead Borrower shall advise the Administrative Agent in writing of such revisions or updates as may be necessary or appropriate to update or correct the same. From time to time as may be reasonably requested by the Administrative Agent, the Lead Borrower shall supplement each Schedule hereto, or any representation herein or in any other Loan Document, with respect to any matter arising after the Closing Date that, if existing or occurring on the Closing Date, would have been required to be set forth or described in such Schedule or as an exception to such representation or that is necessary to correct any information in such Schedule or representation which has been rendered inaccurate thereby (and, in the case of any supplements to any Schedule, such Schedule shall be appropriately marked to show the changes made therein). Notwithstanding the foregoing, no supplement or revision to any Schedule or representation shall be deemed the Credit Parties' consent to the matters reflected in such updated Schedules or revised representations nor permit the Loan Parties to undertake any actions otherwise prohibited hereunder or fail to undertake any action required hereunder from the restrictions and requirements in existence prior to the delivery of such updated Schedules or such revision of a representation; nor shall any such supplement or revision to any Schedule or representation be deemed the Credit Parties' waiver of any Default resulting from the matters disclosed therein.

6.15 Physical Inventories.

(a) Cause cycle counts to be conducted consistent with current practices reasonably satisfactory to the Collateral Agent with results to be shared with Collateral Agent and updated in the

stock ledger timely. If any Default or Event of Default exists, at the discretion of the Collateral Agent, and at Borrowers' expense, the Borrowers shall conduct a full physical count of Inventory. The Collateral Agent, at the expense of the Loan Parties, may participate in and/or observe each scheduled physical count of Inventory which is undertaken on behalf of any Loan Party. The Lead Borrower, within 15 days following the completion of such inventory, shall provide the Collateral Agent with a reconciliation of the results of such inventory (as well as of any other physical inventory or cycle counts undertaken by a Loan Party) and shall post such results to the Loan Parties' stock ledgers and general ledgers, as applicable.

(b) Permit the Collateral Agent, in its discretion, if any Default or Event of Default exists, to cause additional such inventories to be taken as the Collateral Agent determines (each, at the expense of the Loan Parties).

6.16 Environmental Laws.

(a) Conduct its operations and keep and maintain its Real Estate in material compliance with all Environmental Laws; (b) obtain and renew all environmental permits necessary for its operations and properties; and (c) implement any and all investigation, remediation, removal and response actions that are appropriate or necessary to maintain the value and marketability of the Real Estate or to otherwise comply with Environmental Laws pertaining to the presence, generation, treatment, storage, use, disposal, transportation or release of any Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate, provided, however, that neither a Loan Party nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and adequate reserves have been set aside and are being maintained by the Loan Parties with respect to such circumstances in accordance with GAAP.

6.17 Further Assurances.

(a) 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), that may be required under any applicable Law, or which any Agent may request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties. The Loan Parties also agree to provide to the Agents, from time to time upon request, evidence satisfactory to the Agents as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(b) If any material assets are acquired by any Loan Party after the Closing Date (other than assets constituting Collateral under the Security Documents that become subject to the Lien of the Security Documents upon acquisition thereof), notify the Agents thereof, and the Loan Parties will cause such assets to be subjected to a Lien securing the Obligations and will take such actions as shall be necessary or shall be requested by any Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section 6.13, all at the expense of the Loan Parties. In no event shall compliance with this Section 6.13(b) waive or be deemed a waiver or Consent to any transaction giving rise to the need to comply with this Section 6.13(b) if such transaction was not otherwise expressly permitted by this Agreement or constitute or be deemed to constitute Consent to the inclusion of any acquired assets in the computation of the Borrowing Base.

(c) Use, and cause each of the Subsidiaries to use, their commercially reasonable efforts to obtain lease terms in any lease entered into by any Loan Party after the date hereof not expressly

prohibiting the recording in the relevant real estate filing office of an appropriate memorandum of lease and the encumbrancing of the leasehold interest of such Loan Party in the property that is the subject of such lease.

(d) Upon the request of the Collateral Agent, cause each of its customs brokers to deliver an agreement to the Collateral Agent covering such matters and in such form as the Collateral Agent may reasonably require, as required to protect Collateral Agent's interest in the Eligible Inventory.

(e) Upon the request of the Collateral Agent, request and use reasonable efforts to cause any of its landlords to deliver a Collateral Access Agreement to the Collateral Agent in such form as the Collateral Agent may reasonably require, provided that in all events such Collateral Access Agreement shall be furnished for each of Borrowers' distribution centers.

6.18 Compliance with Terms of Leaseholds. Except as otherwise expressly permitted hereunder, make all payments and otherwise perform all obligations in respect of all Leases of real property to which any Loan Party or any of its Subsidiaries is a party, keep such Leases in full force and effect and not allow such Leases to lapse or be terminated or any rights to renew such leases to be forfeited or cancelled, notify the Administrative Agent of any default by any party with respect to such Leases and cooperate with the Administrative Agent in all respects to cure any such default, and cause each of its Subsidiaries to do so.

6.19 Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by the Administrative Agent and, upon request of the Administrative Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Loan Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so.

ARTICLE VII NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property (excluding real property other than the Eligible Real Property), assets or revenues, whether now owned or hereafter acquired or sign or file or suffer to exist under the UCC or any similar Law or statute of any jurisdiction a financing statement that names any Loan Party or any Subsidiary thereof as debtor; sign or suffer to exist any security agreement authorizing any Person thereunder to file such financing statement; sell any of its property or assets subject to an understanding or agreement (contingent or otherwise) to repurchase such property or assets with recourse to it or any of its Subsidiaries; or assign or otherwise transfer any accounts or other rights to receive income, other than, as to all of the above, Permitted Encumbrances.

7.02 Investments. Make any Investments, except Permitted Investments.

7.03 Indebtedness. (a) Create, incur, assume, guarantee, suffer to exist or otherwise become or remain liable with respect to, any Indebtedness, except Permitted Indebtedness or (b) issue Disqualified Stock.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, (or agree to do any of the foregoing), except that, so long as no Default or Event of Default shall have occurred and be continuing prior to or immediately after giving effect to any action described below or would result therefrom:

(a) any Subsidiary which is not a Loan Party may merge with (i) a Loan Party, provided that the Loan Party shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries which are not Loan Parties, provided that when any wholly-owned Subsidiary is merging with another Subsidiary, the wholly-owned Subsidiary shall be the continuing or surviving Person;

(b) any Subsidiary which is a Loan Party may merge into any Subsidiary which is a Loan Party or into the Borrower, provided that in any merger involving the Borrower, the Borrower shall be the continuing or surviving Person;

(c) in connection with a Permitted Acquisition, any Subsidiary of a Loan Party may merge with or into or consolidate with any other Person or permit any other Person to merge with or into or consolidate with it; provided that (i) the Person surviving such merger shall be a wholly-owned Subsidiary of a Loan Party and (ii) in the case of any such merger to which any Loan Party is a party, such Loan Party is the surviving Person; and

(d) any CFC that is not a Loan Party may merge into any CFC that is not a Loan Party.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except Permitted Dispositions.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default or Event of Default shall have occurred and be continuing prior to or immediately after giving effect to any action described below or would result therefrom:

(a) each Subsidiary of a Loan Party may make Restricted Payments to any Loan Party other than to the Parent;

(b) the Loan Parties and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person; and

(c) the Loan Parties may issue and sell Equity Interests provided that (i) (A) with respect to any Equity Interests, all dividends in respect of which are to be paid (and all other payments in respect of which are to be made) shall be in additional shares of such Equity Interests, in lieu of cash, (B) such Equity Interests shall not be subject to redemption other than redemption at the option of the Loan Party issuing such Equity Interests, and (C) all payments in respect of such Equity Interests are expressly subordinated to the Obligations, and (ii) no Loan Party shall issue any additional Equity Interests in a Subsidiary.

7.07 Prepayments of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Indebtedness, or make any payment in violation of any subordination terms of any Subordinated Debt, except (a) as long as no Event of Default then exists, regularly scheduled or mandatory repayments, repurchases, redemptions or defeasances of

Permitted Indebtedness (other than Subordinated Debt), (b) certain intercompany loans and advances between Borrowers and Guarantor to the extent mutually agreed, including without limitation advances made to the Guarantor for payment of Taxes, (c) voluntary prepayments, repurchases, redemptions or defeasances of Permitted Indebtedness (but excluding on account of any Subordinated Debt), (d) payments with respect to the Trade Credit, (e) the reimbursement of expenses of SEP SWH Holdings, L.P. and its Affiliates pursuant to the Management Reimbursement Agreement; (f) priority Sponsor Note payments due December 31, 2010 and March 31, 2011, not to exceed \$1,000,000 each, plus accrued interest, provided, that with respect to any Restricted Payment to be made pursuant to clause (f) the Borrower has satisfied the Sponsor Note Payment Conditions; (g) scheduled payments of interest and principal with respect to Subordinated Debt commencing May 31, 2011, provided, that with respect to any Restricted Payment to be made pursuant to clause (g) the Borrower has satisfied the Scheduled Payment Conditions; (h) additional voluntary payments with respect to Subordinated Debt commencing May 31, 2011, provided, that with respect to any Restricted Payment to be made pursuant to clause (h) the Borrower has satisfied the Additional Payment Conditions; and (i) refinancings and refundings of such Indebtedness in compliance with Section 7.03.

7.08 Change in Nature of Business

(a) In the case of the Parent, engage in any business or activity other than (i) the direct or indirect ownership of all outstanding Equity Interests in the other Loan Parties, (ii) maintaining its corporate existence, (iii) participating in tax, accounting and other administrative activities as the parent of the consolidated group of companies, including the Loan Parties, (iv) the execution and delivery of the Loan Documents to which it is a party and the performance of its obligations thereunder, and (v) activities incidental to the businesses or activities described in clauses (a) through (iv) of this Section 7.08(a).

(b) In the case of each of the Loan Parties, engage in any line of business substantially different from the business conducted by the Loan Parties and their Subsidiaries on the date hereof or any business substantially related or incidental thereto; provided, however, retail sales through e-commerce / internet shall not be construed as a substantially different line of business.

7.09 Transactions with Affiliates. Enter into, renew, extend or be a party to any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Loan Parties or such Subsidiary as would be obtainable by the Loan Parties or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to a transaction between or among the Loan Parties.

7.10 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments or other distributions to any Loan Party or to otherwise transfer property to or invest in a Loan Party, (ii) of any Subsidiary to Guarantee the Obligations, (iii) of any Subsidiary to make or repay loans to a Loan Party, or (iv) of the Loan Parties or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person in favor of the Collateral Agent; provided, however, that this clause (iv) shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under clauses (c) or (f) of the definition of Permitted Indebtedness solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

7.11 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose; or (b) for purposes other than those permitted under this Agreement.

7.12 Amendment of Material Documents.

Amend, modify or waive any of a Loan Party's rights under (a) its Organization Documents in a manner materially adverse to the Credit Parties, or (b) any Material Contract or Material Indebtedness (other than on account of any refinancing thereof otherwise permitted hereunder), in each case to the extent that such amendment, modification or waiver would be reasonably likely to have a Material Adverse Effect.

7.13 Fiscal Year.

Change the Fiscal Year of any Loan Party, or the accounting policies or reporting practices of the Loan Parties, except as required by GAAP.

7.14 Deposit Accounts; Credit Card Processors.

Open new DDAs or Blocked Accounts unless the Loan Parties shall have delivered to the Administrative Agent appropriate DDA Notifications or Blocked Account Agreements consistent with the provisions of Section 6.13 and otherwise satisfactory to the Administrative Agent. No Loan Party shall maintain any bank accounts or enter into any agreements with credit card processors other than the ones expressly contemplated herein or in Section 6.13 hereof.

7.15 Excess Availability.

Permit Excess Availability at any time to be less than ten percent (10%) of the Borrowing Base, or permit Availability at any time to be less than Four Million Dollars (\$4,000,000).

**ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES**

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrowers or any other Loan Party fails to pay when and as required to be paid herein, (i) any amount of principal of any Loan or any L/C Obligation, or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. (i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05, 6.07, 6.10, 6.11, 6.12, 6.13, or 6.14 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 15 days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith (including, without limitation, any Borrowing Base Certificate) shall be incorrect or misleading in any material respect when made or deemed made; or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness (including undrawn committed or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), or (B) fails to observe or perform any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness or the beneficiary or beneficiaries of any Guarantee thereof (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or 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, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Loan Party or such Subsidiary as a result thereof is greater than \$1,000,000; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or a proceeding shall be commenced or a petition filed, without the application or consent of such Person, seeking or requesting the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed and the appointment continues undischarged, undismissed or unstayed for 30 calendar days or an order or decree approving or ordering any of the foregoing shall be entered; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Subsidiary thereof becomes unable or admits in writing its inability or fails generally to pay its debts as they become due in the ordinary course of business, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 10 days after its issuance or levy; or

(h) Judgments. Other than with respect to any judgment which may arise in connection with the litigation relating to the Billings Lease, as described in item 13 of Schedule 5.06, there is entered against any Loan Party or any Subsidiary thereof (i) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding \$1,000,000 (to the extent not covered by independent third-party insurance as to which

the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in material liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC or which would reasonably likely result in a Material Adverse Effect, or (ii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan or which would reasonably likely result in a Material Adverse Effect; or

(j) Invalidity of Loan Documents. (i) Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document or seeks to avoid, limit or otherwise adversely affect any Lien purported to be created under any Security Document; or (ii) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party or any other Person not to be, a valid and perfected Lien on any Collateral, with the priority required by the applicable Security Document and which is not replaced with a substantially similar Lien on such Collateral; or

(k) Change of Control. There occurs any Change of Control; or

(l) Cessation of Business. Except as otherwise expressly permitted hereunder, any Loan Party shall take any action to suspend the operation of its business in the ordinary course, liquidate all or a material portion of its assets or Store locations, or employ an agent or other third party to conduct a program of closings, liquidations or "Going-Out-Of-Business" sales of any material portion of its business; or

(m) Loss of Collateral. There occurs any uninsured loss to any material portion of the Collateral; or

(n) Breach of Contractual Obligation. Any Loan Party or any Subsidiary thereof fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Contract or fails to observe or perform any other agreement or condition relating to any such Material Contract or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the counterparty to such Material Contract to terminate such Material Contract; or

(o) Indictment. The indictment or institution of any legal process or proceeding against, any Loan Party or any Subsidiary thereof, under any federal, state, municipal, and other criminal statute, rule, regulation, order, or other requirement having the force of law for a felony;

(p) Guaranty. The termination or attempted termination of any Facility Guaranty except as expressly permitted hereunder or under any other Loan Document;

(q) Subordination. (i) The subordination provisions of the documents evidencing or governing any Subordinated Debt (the “Subordinated Provisions”) shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated Debt; or (ii) any Borrower or any other Loan Party shall, directly or indirectly, disavow or contest in any manner (A) the effectiveness, validity or enforceability of any of the Subordination Provisions, (B) that the Subordination Provisions exist for the benefit of the Credit Parties, or (C) that all payments of principal of or premium and interest on the applicable Subordinated Debt, or realized from the liquidation of any property of any Loan Party, shall be subject to any of the Subordination Provisions.

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent may, or, at the request of the Required Lenders shall, take any or all of the following actions:

(a) declare the Commitments of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such Commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties;

(c) require that the Loan Parties Cash Collateralize the L/C Obligations; and

(d) whether or not the maturity of the Obligations shall have been accelerated pursuant hereto, proceed to protect, enforce and exercise all rights and remedies of the Credit Parties under this Agreement, any of the other Loan Documents or applicable Law, including, but not limited to, by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the other Loan Documents or any instrument pursuant to which the Obligations are evidenced, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Credit Parties;

provided, however, that upon the entry of an order for relief with respect to any Loan Party or any Subsidiary thereof under any Debtor Relief Laws, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Loan Parties to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

No remedy herein is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of Law.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations (excluding the Other Liabilities) constituting fees, indemnities, Credit Party Expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and the Collateral Agent and amounts payable under Article III) payable to the Administrative Agent and the Collateral Agent, each in its capacity as such;

Second, to payment of that portion of the Obligations (excluding the Other Liabilities) constituting indemnities, Credit Party Expenses, and other amounts (other than principal, interest and fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to the extent not previously reimbursed by the Lenders, to payment to the Lenders of that portion of the Obligations constituting principal and accrued and unpaid interest on any Permitted Overadvances, ratably among the Lenders in proportion to the amounts described in this clause Third payable to them;

Fourth, to the extent that Swing Line Loans have not been refinanced by a Committed Loan, payment to the Swing Line Lender of that portion of the Obligations constituting accrued and unpaid interest on the Swing Line Loans;

Fifth, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans L/C Borrowings and other Obligations, and fees (including Letter of Credit Fees but excluding any Early Termination Fees), ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Fifth payable to them;

Sixth, to the extent that Swing Line Loans have not been refinanced by a Committed Loan, to payment to the Swing Line Lender of that portion of the Obligations constituting unpaid principal of the Swing Line Loans;

Seventh, to payment of that portion of the Obligations constituting unpaid principal of the Loans and L/C Borrowings, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Seventh held by them;

Eighth, to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit;

Ninth, to payment of all other Obligations (including without limitation the cash collateralization of unliquidated indemnification obligations as provided in Section 10.04(g)), but

excluding any Other Liabilities), ratably among the Credit Parties in proportion to the respective amounts described in this clause Ninth held by them

Tenth, to payment of that portion of the Obligations arising from Cash Management Services to the extent secured under the Security Documents, ratably among the Credit Parties in proportion to the respective amounts described in this clause Tenth held by them;

Eleventh, to payment of all other Obligations arising from Bank Products to the extent secured under the Security Documents, ratably among the Credit Parties in proportion to the respective amounts described in this clause Eleventh held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Loan Parties or as otherwise required by Law.

Subject to Section 2.03(c), amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Seventh above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE IX ADMINISTRATIVE AGENT

9.01 Appointment and Authority.

(a) Each of the Lenders and the Swing Line Lender hereby irrevocably appoints Wells Fargo Retail Finance, LLC to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and no Loan Party or any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions.

(b) Each of the Lenders (in its capacities as a Lender) and the Swing Line Lender hereby irrevocably appoints Wells Fargo Retail Finance, LLC as Collateral Agent and authorizes the Collateral Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(c)), as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents, as if set forth in full herein with respect thereto.

9.02 Rights as a Lender. The Persons serving as the Agents hereunder shall have the same rights and powers in their capacity as a Lender as any other Lender and may exercise the same as though they were not the Administrative Agent or the Collateral Agent and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent or the Collateral Agent hereunder in its individual capacity. Such Person and

its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent or the Collateral Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Agents shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agents:

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

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent or the Collateral Agent, as applicable, is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that no Agent shall be required to take any action that, in its respective opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law; and

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

No Agent shall be liable for any action taken or not taken by it (i) with the Consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction.

The Agents shall not be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent by the Loan Parties, a Lender or the L/C Issuer. Upon the occurrence of an Event of Default, the Agents shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Applicable Lenders. Unless and until the Agents shall have received such direction, the Agents may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default or Event of Default as it shall deem advisable in the best interest of the Credit Parties. In no event shall the Agents be required to comply with any such directions to the extent that any Agent believes that its compliance with such directions would be unlawful.

The Agents shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or the creation, perfection or priority of any Lien purported

to be created by the Security Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agents.

9.04 Reliance by Agents.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including, but not limited to, any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received written notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as such Agent.

9.06 Resignation of Agents. Either Agent may at any time give written notice of its resignation to the Lenders and the Lead Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Lead Borrower, 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, then the retiring Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent or Collateral Agent, as applicable, meeting the qualifications set forth above; provided that if the Administrative Agent or the Collateral Agent shall notify the Lead Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by the Collateral Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security 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 Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent or Collateral Agent, as applicable, hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this

Section). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Lead Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring 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 Agent was acting as Administrative Agent or Collateral Agent hereunder.

Any resignation by Wells Fargo Retail Finance, LLC as Administrative Agent pursuant to this Section shall also constitute its resignation as Swing Line Lender and the resignation of Wells Fargo as L/C Issuer. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer and Swing Line Lender, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Agents or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Agents or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. Except as provided in Section 9.12, the Agents shall not have any duty or responsibility to provide any Credit Party with any other credit or other information concerning the affairs, financial condition or business of any Loan Party that may come into the possession of the Agents.

9.08 Intentionally Omitted.

9.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Loan Parties) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer, the Administrative Agent and the other Credit Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer, the Administrative Agent, such Credit Parties and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer the Administrative Agent and such Credit Parties under Sections 2.03(i) and 2.03(j) as applicable, 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

9.10 Collateral and Guaranty Matters. The Credit Parties irrevocably authorize the Agents, at their option and in their discretion,

(a) to release any Lien on any property granted to or held by the Collateral Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Applicable Lenders in accordance with Section 10.01;

(b) to subordinate any Lien on any property granted to or held by the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by clause (h) of the definition of Permitted Encumbrances; and

(c) to release any Guarantor from its obligations under the Facility Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder.

Upon request by any Agent at any time, the Applicable Lenders will confirm in writing such Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Facility Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Agents will, at the Loan Parties' expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Facility Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

9.11 Notice of Transfer.

The Agents may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Obligations for all purposes, unless and until, and except to the extent, an Assignment and Acceptance shall have become effective as set forth in Section 10.06.

9.12 Reports and Financial Statements.

By signing this Agreement, each Lender:

(a) agrees to furnish the Administrative Agent (and thereafter at such frequency as the Administrative Agent may reasonably request) with a summary of all Other Liabilities due or to become due to such Lender. In connection with any distributions to be made hereunder, the Administrative Agent shall be entitled to assume that no amounts are due to any Lender on account of Other Liabilities unless the Administrative Agent has received written notice thereof from such Lender;

(b) is deemed to have requested that the Administrative Agent furnish such Lender, promptly after they become available, copies of all financial statements required to be delivered by the Lead Borrower hereunder and all commercial finance examinations and appraisals of the Collateral received by the Agents (collectively, the "Reports");

(c) expressly agrees and acknowledges that the Administrative Agent makes no representation or warranty as to the accuracy of the Reports, and shall not be liable for any information contained in any Report;

(d) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agents or any other party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel;

(e) agrees to keep all Reports confidential in accordance with the provisions of Section 10.07 hereof; and

(f) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agents and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any Credit Extensions that the indemnifying Lender has made or may make to the Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a Loan or Loans; and (ii) to pay and protect, and indemnify, defend, and hold the Agents and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including attorney costs) incurred by the Agents and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

9.13 Agency for Perfection.

Each Lender hereby appoints each other Lender as agent for the purpose of perfecting Liens for the benefit of the Agents and the Lenders, in assets which, in accordance with Article 9 of the UCC or any other applicable Law of the United States can be perfected only by possession. Should any Lender (other than the Agents) obtain possession of any such Collateral, such Lender shall notify the Agents thereof, and, promptly upon the Collateral Agent's request therefor shall deliver such Collateral to the Collateral Agent or otherwise deal with such Collateral in accordance with the Collateral Agent's instructions.

9.14 Indemnification of Agents. The Lenders hereby agree to indemnify the Agents, the L/C Issuer and any Related Party, as the case may be (to the extent not reimbursed by the Loan Parties and

without limiting the obligations of Loan Parties hereunder), ratably according to their Applicable Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against any Agent in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by any Agent in connection therewith; provided, that no Lender shall be liable for 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 and nonappealable judgment of a court of competent jurisdiction.

9.15 Relation among Lenders. The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Agents) authorized to act for, any other Lender.

9.16 Defaulting Lender.

(a) If for any reason any Lender shall fail or refuse to abide by its obligations under this Agreement, including without limitation its obligation to make available to Administrative Agent its Applicable Percentage of any Loans, expenses or setoff or purchase its Applicable Percentage of a participation interest in the Swingline Loans or L/C Borrowings and such failure is not cured within one (1) Business Day after receipt from the Administrative Agent of written notice thereof, then, in addition to the rights and remedies that may be available to the other Credit Parties, the Loan Parties or any other party at law or in equity, and not at limitation thereof, (i) such Defaulting Lender's right to participate in the administration of, or decision-making rights related to, the Obligations, this Agreement or the other Loan Documents shall be suspended during the pendency of such failure or refusal, and (ii) a Defaulting Lender shall be deemed to have assigned any and all payments due to it from the Loan Parties, whether on account of outstanding Loans, interest, fees or otherwise, to the remaining non-Defaulting Lenders for application to, and reduction of, their proportionate shares of all outstanding Obligations until, as a result of application of such assigned payments the Lenders' respective Applicable Percentages of all outstanding Obligations shall have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency, and (iii) at the option of the Administrative Agent, any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent as cash collateral for future funding obligations of the Defaulting Lender in respect of any Loan or existing or future participating interest in any Swing Line Loan or Letter of Credit. The Defaulting Lender's decision-making and participation rights and rights to payments as set forth in clauses (i) and (ii) hereinabove shall be restored only upon the payment by the Defaulting Lender of its Applicable Percentage of any Obligations, any participation obligation, or expenses as to which it is delinquent, together with interest thereon at the rate set forth in Section 2.13(c) hereof from the date when originally due until the date upon which any such amounts are actually paid.

(b) The non-Defaulting Lenders shall also have the right, but not the obligation, in their respective, sole and absolute discretion, to cause the termination and assignment, without any further action by the Defaulting Lender for no cash consideration (pro rata, based on the respective Commitments of those Lenders electing to exercise such right), of the Defaulting Lender's Commitment to fund future Loans. Upon any such purchase of the Applicable Percentage of any Defaulting Lender, the Defaulting Lender's share in future Credit Extensions and its rights under the Loan Documents with respect thereto shall terminate on the date of purchase, and the Defaulting Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest, including, if so requested, an Assignment and Acceptance.

(c) Each Defaulting Lender shall indemnify the Administrative Agent and each non-Defaulting Lender from and against any and all loss, damage or expenses, including but not limited to reasonable attorneys' fees and funds advanced by the Administrative Agent or by any non-Defaulting Lender, on account of a Defaulting Lender's failure to timely fund its Applicable Percentage of a Loan or to otherwise perform its obligations under the Loan Documents.

9.17 Intentionally Omitted.

ARTICLE X MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no Consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Administrative Agent, with the Consent of the Required Lenders, and the Lead Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or Consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or, increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written Consent of such Lender;

(b) as to any Lender, postpone any date fixed by this Agreement or any other Loan Document for (i) any scheduled payment (including the Maturity Date) or mandatory prepayment of principal, interest, fees or other amounts due hereunder or under any of the other Loan Documents without the written Consent of such Lender entitled to such payment, or (ii) any scheduled or mandatory reduction of the Aggregate Commitments hereunder or under any other Loan Document without the written Consent of such Lender;

(c) as to any Lender, reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document, without the written Consent of each Lender entitled to such amount; provided, however, that only the Consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrowers to pay interest or Letter of Credit Fees at the Default Rate;

(d) as to any Lender, change Section 2.13 or Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written Consent of such Lender;

(e) change any provision of this Section or the definition of "Required Lenders", or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written Consent of each Lender;

(f) except as expressly permitted hereunder or under any other Loan Document, release, or limit the liability of, any Loan Party without the written Consent of each Lender;

(g) except for Permitted Dispositions, release all or substantially all of the Collateral from the Liens of the Security Documents without the written Consent of each Lender;

(h) increase the Aggregate Commitments without the written Consent of each Lender;

(i) change the definition of the term "Borrowing Base" or any component definition thereof if as a result thereof the amounts available to be borrowed by the Borrowers would be increased without the written Consent of each Lender, *provided that* the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Reserves;

(j) modify the definition of Permitted Overadvance so as to increase the amount thereof or, except as provided in such definition, the time period for a Permitted Overadvance without the written Consent of each Lender; and

(k) except as expressly permitted herein or in any other Loan Document, subordinate the Obligations hereunder or the Liens granted hereunder or under the other Loan Documents, to any other Indebtedness or Lien, as the case may be without the written Consent of each Lender;

and, provided further, that (i) no amendment, waiver or Consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or Consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or Consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) no amendment, waiver or Consent shall, unless in writing and signed by the Collateral Agent in addition to the Lenders required above, affect the rights or duties of the Collateral Agent under this Agreement or any other Loan Document, and (v) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or Consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

If any Lender does not Consent (a "Non-Consenting Lender") to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the Consent of each Lender and that has been approved by the Required Lenders, the Lead Borrower may replace such Non-Consenting Lender in accordance with Section 10.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Lead Borrower to be made pursuant to this paragraph).

10.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), 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 telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Loan Parties, the Agents, the L/C Issuer or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Lead Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF 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 Agents or any of their Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Loan Parties' or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Loan Party, any

Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Loan Parties, the Agents, the L/C Issuer and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the Lead Borrower, the Agents, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Agents, L/C Issuer and Lenders. The Agents, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Loan Parties even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Agents, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Loan Parties. All telephonic notices to and other telephonic communications with the Agents may be recorded by the Agents, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure by any Credit Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the other Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Credit Party may have had notice or knowledge of such Default at the time.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrowers shall pay all Credit Party Expenses.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Agents (and any sub-agent thereof), each other Credit Party, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, causes of action, damages, liabilities, settlement payments, costs, and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Agents (and any sub-agents thereof) and their Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a

Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, (iv) any claims of, or amounts paid by any Credit Party to, a Blocked Account Bank or other Person which has entered into a control agreement with any Credit Party hereunder, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party or any of the Loan Parties' directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by a Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrowers or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. Without limiting their obligations under Section 9.14 hereof, to the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it, each Lender severally agrees to pay to the Agents (or any such sub-agent), the L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agents (or any such sub-agent) or the L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Agents (or any such sub-agent) or L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable on demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of any Agent and the L/C Issuer, the assignment of any Commitment or Loan by any Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Loan Parties is made to any Credit Party, or any Credit Party 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 Credit Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law 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 and the L/C Issuer severally agrees to pay to the Agents upon demand its Applicable Percentage (without duplication) of any amount so recovered from or repaid by the Agents, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. 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 no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written Consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.06(b), (ii) by way of participation in accordance with the provisions of subsection Section 10.06(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). 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 subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Credit Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this Section 10.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i) Minimum Amounts

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$10,000,000 unless each of the Administrative Agent and, so long as no

Default has occurred and is continuing, the Lead Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. 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 with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Lead Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Commitment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the assignment of any Commitment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 payable by the party requesting such assignment, provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, 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 Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption 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 3.01, 3.04,

3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrowers (at their expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection 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 Section 10.06(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations 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 Loan Parties, the Administrative Agent and the Lenders may 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 Lead Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Loan Parties (except for the consent of the Lead Borrower only if no Default has occurred and is continuing at the time of such participation (such consent not to be unreasonably withheld or delayed)) or the Administrative Agent, sell participations to any Person (other than a natural person or the Loan Parties or any of the Loan Parties' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Loan Parties, the Agents, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any Participant shall agree in writing to comply with all confidentiality obligations set forth in Section 10.07 as if such Participant was a Lender hereunder.

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; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, the Loan Parties agree that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.06(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Lead Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Lead Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Loan Parties, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption 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.

(h) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Wells Fargo Retail Finance, LLC assigns all of its Commitment and Loans pursuant to subsection (b) above, Wells Fargo may, (i) upon 30 days’ notice to the Lead Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon 30 days’ notice to the Lead Borrower, Wells Fargo Retail Finance II, LLC may resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Lead Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Lead Borrower to appoint any such successor shall affect the resignation of Wells Fargo as L/C Issuer or Swing Line Lender, as the case may be. If Wells Fargo resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make Base Rate Loans or fund risk participations in Unreimbursed Amounts pursuant to Section 2.03(c)). If Wells Fargo Retail Finance, LLC resigns as Swing Line Lender, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Wells Fargo to effectively assume the obligations of Wells Fargo with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Credit Parties agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates’ respective partners, directors, officers, employees, agents, funding sources, attorneys, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in,

any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Loan Party and its obligations, (g) with the consent of the Lead Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to any Credit Party or any of their respective Affiliates on a non-confidential basis from a source other than the Loan Parties.

For purposes of this Section, "Information" means all information received from the Loan Parties or any Subsidiary thereof relating to the Loan Parties or any Subsidiary thereof or their respective businesses, other than any such information that is available to any Credit Party on a non-confidential basis prior to disclosure by the Loan Parties or any Subsidiary thereof, provided that, in the case of information received from any Loan Party or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Credit Parties acknowledges that (a) the Information may include material non-public information concerning the Loan Parties or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Federal and state securities Laws.

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing or if any Lender shall have been served with a trustee process or similar attachment relating to property of a Loan Party, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent or the Required Lenders, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrowers or any other Loan Party against any and all of the Obligations now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, regardless of the adequacy of the Collateral, and irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Lead Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate,

allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement.

10.11 Survival. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof, except to the extent that such representations and warranties may be revised in accordance with the terms of this Agreement. Such representations and warranties have been or will be relied upon by the Credit Parties, regardless of any investigation made by any Credit Party or on their behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding. Further, the provisions of Sections 3.01, 3.04, 3.05 and 10.04 and Article IX shall survive and remain in full force and effect regardless of the repayment of the Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof. In connection with the termination of this Agreement and the release and termination of the security interests in the Collateral, the Agents may require such indemnities and collateral security as they shall reasonably deem necessary or appropriate to protect the Credit Parties against (x) loss on account of credits previously applied to the Obligations that may subsequently be reversed or revoked, (y) any obligations that may thereafter arise with respect to the Other Liabilities and (z) any Obligations that may thereafter arise under Section 10.04.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.13 Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrowers shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b)(iv);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

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

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY 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 ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE LOAN PARTIES HERETO 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 COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE LOAN 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 OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE LOAN PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW,

THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(e) ACTIONS COMMENCED BY LOAN PARTIES. EACH LOAN PARTY AGREES THAT ANY ACTION COMMENCED BY ANY LOAN PARTY ASSERTING ANY CLAIM OR COUNTERCLAIM ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT SOLELY IN A COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY OR ANY FEDERAL COURT SITTING THEREIN AS THE ADMINISTRATIVE AGENT MAY ELECT IN ITS SOLE DISCRETION AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS WITH RESPECT TO ANY SUCH ACTION.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, the Loan Parties each acknowledge and agree that: (i) the credit facility 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 Loan Document) are an arm's-length commercial transaction between the Loan Parties, on the one hand, and the Credit Parties, on the other hand, and each of the Loan Parties is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, the each Credit Party is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Loan Parties or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) none of the Credit Parties has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Loan Parties 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 Loan Document (irrespective of whether any of the Credit Parties has advised or is currently advising any Loan Party or any of its Affiliates on other matters) and none of the Credit Parties has any obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Credit Parties and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and none of the Credit Parties has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and

(v) the Credit Parties have not provided and will not 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 Loan Document) and each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Loan Parties hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against each of the Credit Parties with respect to any breach or alleged breach of agency or fiduciary duty.

10.17 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. Each Loan Party is in compliance, in all material respects, with the Patriot Act. No part of the proceeds of the Loans will be used by the Loan Parties, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

10.18 Foreign Asset Control Regulations. Neither of the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56)). Furthermore, none of the Borrowers or their Affiliates (a) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or in any manner violative of any such order.

10.19 Time of the Essence. Time is of the essence of the Loan Documents.

10.20 Press Releases.

Each Loan Party agrees to provide its reasonable consent to the publication by Administrative Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using any Loan Party's name, product photographs, logo or trademark. Administrative Agent or such Lender shall provide a draft of any advertising material to the Lead Borrower at least five (5) days prior to the publication thereof. Upon consent from Lead Borrower, Administrative Agent may provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.21 Additional Waivers.

(a) The Obligations are the joint and several obligation of each Loan Party. To the fullest extent permitted by Applicable Law, the obligations of each Loan Party shall not be affected by

(i) the failure of any Credit Party to assert any claim or demand or to enforce or exercise any right or remedy against any other Loan Party under the provisions of this Agreement, any other Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, this Agreement or any other Loan Document, or (iii) the failure to perfect any security interest in, or the release of, any of the Collateral or other security held by or on behalf of the Collateral Agent or any other Credit Party.

(b) The obligations of each Loan Party shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Obligations after the termination of the Commitments), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Loan Party hereunder shall not be discharged or impaired or otherwise affected by the failure of any Agent or any other Credit Party to assert any claim or demand or to enforce any remedy under this Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, any default, failure or delay, willful or otherwise, in the performance of any of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any Loan Party or that would otherwise operate as a discharge of any Loan Party as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations after the termination of the Commitments).

(c) To the fullest extent permitted by applicable Law, each Loan Party waives any defense based on or arising out of any defense of any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations and the termination of the Commitments. The Collateral Agent and the other Credit Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or non-judicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with any other Loan Party, or exercise any other right or remedy available to them against any other Loan Party, without affecting or impairing in any way the liability of any Loan Party hereunder except to the extent that all the Obligations have been indefeasibly paid in full in cash and the Commitments have been terminated. Each Loan Party waives any defense arising out of any such election even though such election operates, pursuant to applicable Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Loan Party against any other Loan Party, as the case may be, or any security.

(d) Each Borrower is obligated to repay the Obligations as joint and several obligors under this Agreement. Upon payment by any Loan Party of any Obligations, all rights of such Loan Party against any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all the Obligations and the termination of the Commitments. In addition, any indebtedness of any Loan Party now or hereafter held by any other Loan Party is hereby subordinated in right of payment to the prior indefeasible payment in full of the Obligations and no Loan Party will demand, sue for or otherwise attempt to collect any such indebtedness. If any amount shall erroneously be paid to any Loan Party on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of any Loan Party, such amount shall be held in trust for the benefit of the Credit Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement and the other Loan Documents. Subject to the foregoing, to the extent that any Borrower shall, under this Agreement as a joint and several obligor,

repay any of the Obligations constituting Revolving Loans made to another Borrower hereunder or other Obligations incurred directly and primarily by any other Borrower (an "Accommodation Payment"), then the Borrower making such Accommodation Payment shall be entitled to contribution and indemnification from, and be reimbursed by, each of the other Borrowers in an amount, for each of such other Borrowers, equal to a fraction of such Accommodation Payment, the numerator of which fraction is such other Borrower's Allocable Amount and the denominator of which is the sum of the Allocable Amounts of all of the Borrowers. As of any date of determination, the "Allocable Amount" of each Borrower shall be equal to the maximum amount of liability for Accommodation Payments which could be asserted against such Borrower hereunder without (a) rendering such Borrower "insolvent" within the meaning of Section 101 (31) of the Bankruptcy Code, Section 2 of the Uniform Fraudulent Transfer Act ("UFTA") or Section 2 of the Uniform Fraudulent Conveyance Act ("UFCA"), (b) leaving such Borrower with unreasonably small capital or assets, within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the UFTA, or Section 5 of the UFCA, or (c) leaving such Borrower unable to pay its debts as they become due within the meaning of Section 548 of the Bankruptcy Code or Section 4 of the UFTA, or Section 5 of the UFCA.

10.22 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.23 Attachments.

The exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

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

BORROWERS

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.,
a Minnesota corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC,
a Delaware limited liability company

by Sportsman's Warehouse, Inc., its sole member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

GUARANTOR

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,
a Utah corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to Credit Agreement

**WELLS FARGO RETAIL FINANCE, LLC, as
Administrative Agent and as Collateral Agent**

By: /s/ Cory Loftus

Name: Cory Loftus

Title: Director

**WELLS FARGO RETAIL FINANCE, LLC as a Lender and
Swing Line Lender**

By: /s/ Cory Loftus

Name: Cory Loftus

Title: Director

Signature Page to Credit Agreement

SCHEDULES TO CREDIT AGREEMENT

Dated as of May 28, 2010

among

SPORTSMAN'S WAREHOUSE, INC.,

as the Lead Borrower

For

The Borrowers Named Herein

WELLS FARGO RETAIL FINANCE, LLC

as Administrative Agent, Collateral Agent, Swing Line Lender,

and

The Other Lenders Party Hereto

This document constitutes the schedules to the Credit Agreement (“Credit Agreement”) by and among (i) SPORTSMAN’S WAREHOUSE, INC., a Utah corporation (in such capacity, the “Lead Borrower”), as representative for the Borrowers from time to time party thereto (individually, a “Borrower” and, collectively with the Lead Borrower, the “Borrowers”), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto (individually, a “Guarantor” and, collectively, the “Guarantors”), (iv) the Lenders from time to time party thereto (individually, a “Lender” and, collectively, the “Lenders”), and (v) WELLS FARGO RETAIL FINANCE, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender. Capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement.

Matters reflected in these schedules are not necessarily limited to matters required by the Credit Agreement to be reflected herein. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. An exception or matter disclosed with respect to one representation or warranty shall also be deemed disclosed with respect to each other warranty or representation to which the exception or matter reasonably relates to the extent such relationship is reasonably apparent on the face of the disclosure contained in these schedules.

Disclosure Schedule 1.01(a)

Borrowers

Sportsman's Warehouse, Inc., a Utah corporation
Sportsman's Warehouse Southwest, Inc., a California corporation
Minnesota Merchandising Corp., a Minnesota corporation
Pacific Flyway Wholesale, LLC, a Delaware limited liability company

Disclosure Schedule 1.01(b)

Eligible Real Estate

Lot 1, ROCKY MOUNTAIN VILLAGE EIGHTH SUBDIVISION to the City of Loveland, County of Larimer, State of Colorado.

Property address: 1675 Rocky Mountain Avenue, Loveland, Colorado.

Disclosure Schedule 1.01(c)

Fiscal Calendar through Fiscal Year 2028

Fiscal Year Period	FY09		FY10		FY11		FY12		FY13	
	Beg	End	Beg	End	Beg	End	Beg	End	Beg	End
1	2/1/2009	2/28/2009	1/31/2010	2/27/2010	1/30/2011	2/26/2011	1/29/2012	2/25/2012	2/3/2013	3/2/2013
2	3/1/2009	3/28/2009	2/28/2010	3/27/2010	2/27/2011	3/26/2011	2/26/2012	3/24/2012	3/3/2013	3/30/2013
3	3/29/2009	5/2/2009	3/28/2010	5/1/2010	3/27/2011	4/30/2011	3/25/2012	4/28/2012	3/31/2013	5/4/2013
4	5/3/2009	5/30/2009	5/2/2010	5/29/2010	5/1/2011	5/28/2011	4/29/2012	5/26/2012	5/5/2013	6/1/2013
5	5/31/2009	6/27/2009	5/30/2010	6/26/2010	5/29/2011	6/25/2011	5/27/2012	6/23/2012	6/2/2013	6/29/2013
6	6/28/2009	8/1/2009	6/27/2010	7/31/2010	6/26/2011	7/30/2011	6/24/2012	7/28/2012	6/30/2013	8/3/2013
7	8/2/2009	8/29/2009	8/1/2010	8/28/2010	7/31/2011	8/27/2011	7/29/2012	8/25/2012	8/4/2013	8/31/2013
8	8/30/2009	9/26/2009	8/29/2010	9/25/2010	8/28/2011	9/24/2011	8/26/2012	9/22/2012	9/1/2013	9/28/2013
9	9/27/2009	10/31/2009	9/26/2010	10/30/2010	9/25/2011	10/29/2011	9/23/2012	10/27/2012	9/29/2013	11/2/2013
10	11/1/2009	11/28/2009	10/31/2010	11/27/2010	10/30/2011	11/26/2011	10/28/2012	11/24/2012	11/3/2013	11/30/2013
11	11/29/2009	12/26/2009	11/28/2010	12/25/2010	11/27/2011	12/24/2011	11/25/2012	12/29/2012	12/1/2013	12/28/2013
12	12/27/2009	1/30/2010	12/26/2010	1/29/2011	12/25/2011	1/28/2012	12/30/2012	2/2/2013	12/29/2013	2/1/2014
	FY14		FY15		FY16		FY17		FY18	
	Beg	End	Beg	End	Beg	End	Beg	End	Beg	End
1	2/2/2014	3/1/2014	2/1/2015	2/28/2015	1/31/2016	2/27/2016	1/29/2017	2/25/2017	2/4/2018	3/3/2018
2	3/2/2014	3/29/2014	3/1/2015	3/28/2015	2/28/2016	3/26/2016	2/26/2017	3/25/2017	3/4/2018	3/31/2018
3	3/30/2014	5/3/2014	3/29/2015	5/2/2015	3/27/2016	4/30/2016	3/26/2017	4/29/2017	4/1/2018	5/5/2018
4	5/4/2014	5/31/2014	5/3/2015	5/30/2015	5/1/2016	5/28/2016	4/30/2017	5/27/2017	5/6/2018	6/2/2018
5	6/1/2014	6/28/2014	5/31/2015	6/27/2015	5/29/2016	6/25/2016	5/28/2017	6/24/2017	6/3/2018	6/30/2018
6	6/29/2014	8/2/2014	6/28/2015	8/1/2015	6/26/2016	7/30/2016	6/25/2017	7/29/2017	7/1/2018	8/4/2018
7	8/3/2014	8/30/2014	8/2/2015	8/29/2015	7/31/2016	8/27/2016	7/30/2017	8/26/2017	8/5/2018	9/1/2018
8	8/31/2014	9/27/2014	8/30/2015	9/26/2015	8/28/2016	9/24/2016	8/27/2017	9/23/2017	9/2/2018	9/29/2018
9	9/28/2014	11/1/2014	9/27/2015	10/31/2015	9/25/2016	10/29/2016	9/24/2017	10/28/2017	9/30/2018	11/3/2018
10	11/2/2014	11/29/2014	11/1/2015	11/28/2015	10/30/2016	11/26/2016	10/29/2017	11/25/2017	11/4/2018	12/1/2018
11	11/30/2014	12/27/2014	11/29/2015	12/26/2015	11/27/2016	12/24/2016	11/26/2017	12/30/2017	12/2/2018	12/29/2018
12	12/28/2014	1/31/2015	12/27/2015	1/30/2016	12/25/2016	1/28/2017	12/31/2017	2/3/2018	12/30/2018	2/2/2019

	FY19		FY20		FY21		FY22		FY23	
	Beg	End	Beg	End	Beg	End	Beg	End	Beg	End
1	2/3/2019	3/2/2019	2/2/2020	2/29/2020	1/31/2021	2/27/2021	1/30/2022	2/26/2022	1/29/2023	2/25/2023
2	3/3/2019	3/30/2019	3/1/2020	3/28/2020	2/28/2021	3/27/2021	2/27/2022	3/26/2022	2/26/2023	3/25/2023
3	3/31/2019	5/4/2019	3/29/2020	5/2/2020	3/28/2021	5/1/2021	3/27/2022	4/30/2022	3/26/2023	4/29/2023
4	5/5/2019	6/1/2019	5/3/2020	5/30/2020	5/2/2021	5/29/2021	5/1/2022	5/28/2022	4/30/2023	5/27/2023
5	6/2/2019	6/29/2019	5/31/2020	6/27/2020	5/30/2021	6/26/2021	5/29/2022	6/25/2022	5/28/2023	6/24/2023
6	6/30/2019	8/3/2019	6/28/2020	8/1/2020	6/27/2021	7/31/2021	6/26/2022	7/30/2022	6/25/2023	7/29/2023
7	8/4/2019	8/31/2019	8/2/2020	8/29/2020	8/1/2021	8/28/2021	7/31/2022	8/27/2022	7/30/2023	8/26/2023
8	9/1/2019	9/28/2019	8/30/2020	9/26/2020	8/29/2021	9/25/2021	8/28/2022	9/24/2022	8/27/2023	9/23/2023
9	9/29/2019	11/2/2019	9/27/2020	10/31/2020	9/26/2021	10/30/2021	9/25/2022	10/29/2022	9/24/2023	10/28/2023
10	11/3/2019	11/30/2019	11/1/2020	11/28/2020	10/31/2021	11/27/2021	10/30/2022	11/26/2022	10/29/2023	11/25/2023
11	12/1/2019	12/28/2019	11/29/2020	12/26/2020	11/28/2021	12/25/2021	11/27/2022	12/24/2022	11/26/2023	12/30/2023
12	12/29/2019	2/1/2020	12/27/2020	1/30/2021	12/26/2021	1/29/2022	12/25/2022	1/28/2023	12/31/2023	2/3/2024

	FY24		FY25		FY26		FY27		FY28	
	Beg	End	Beg	End	Beg	End	Beg	End	Beg	End
1	2/4/2024	3/2/2024	2/2/2025	3/1/2025	2/1/2026	2/28/2026	1/31/2027	2/27/2027	1/30/2028	2/26/2028
2	3/3/2024	3/30/2024	3/2/2025	3/29/2025	3/1/2026	3/28/2026	2/28/2027	3/27/2027	2/27/2028	3/25/2028
3	3/31/2024	5/4/2024	3/30/2025	5/3/2025	3/29/2026	5/2/2026	3/28/2027	5/1/2027	3/26/2028	4/29/2028
4	5/5/2024	6/1/2024	5/4/2025	5/31/2025	5/3/2026	5/30/2026	5/2/2027	5/29/2027	4/30/2028	5/27/2028
5	6/2/2024	6/29/2024	6/1/2025	6/28/2025	5/31/2026	6/27/2026	5/30/2027	6/26/2027	5/28/2028	6/24/2028
6	6/30/2024	8/3/2024	6/29/2025	8/2/2025	6/28/2026	8/1/2026	6/27/2027	7/31/2027	6/25/2028	7/29/2028
7	8/4/2024	8/31/2024	8/3/2025	8/30/2025	8/2/2026	8/29/2026	8/1/2027	8/28/2027	7/30/2028	8/26/2028
8	9/1/2024	9/28/2024	8/31/2025	9/27/2025	8/30/2026	9/26/2026	8/29/2027	9/25/2027	8/27/2028	9/23/2028
9	9/29/2024	11/2/2024	9/28/2025	11/1/2025	9/27/2026	10/31/2026	9/26/2027	10/30/2027	9/24/2028	10/28/2028
10	11/3/2024	11/30/2024	11/2/2025	11/29/2025	11/1/2026	11/28/2026	10/31/2027	11/27/2027	10/29/2028	11/25/2028
11	12/1/2024	12/28/2024	11/30/2025	12/27/2025	11/29/2026	12/26/2026	11/28/2027	12/25/2027	11/26/2028	12/30/2028
12	12/29/2024	2/1/2025	12/28/2025	1/31/2026	12/27/2026	1/30/2027	12/26/2027	1/29/2028	12/31/2028	2/3/2029

Disclosure Schedule 2.01

Wells Fargo Retail Finance LLC	100%	(\$75,000,000.00)
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Loan Parties' Organizational Information

<u>Name</u>	<u>State of Organization</u>	<u>Organization Type</u>	<u>Organization Number</u>	<u>FEIN</u>
Sportsman's Warehouse Holdings, Inc.	Utah	Corporation	1467586-0142	39-1975614
Sportsman's Warehouse, Inc.	Utah	Corporation	991589-0142	87-0452614
Minnesota Merchandising Corp.	Minnesota	Corporation	678698-2	20-0942908
Sportsman's Warehouse Southwest, Inc.	California	Corporation	C2888368	20-5218590
Pacific Flyway Wholesale, LLC	Delaware	Limited liability company	4739552	27-1088315

Disclosure Schedule 5.05

Material Indebtedness

Sponsor Note.

Trade Credit.

Cash Flow Payment.

Allowed Priority Tax Claims.

Amounts due under the Leases.

Amounts due pursuant to the notes payable listed on Schedule 7.03.

Amounts due pursuant to the mortgages listed on Schedule 7.03.

Litigation

18. **Jean & Milo Janecek***

Threatened but have not filed an action against SW based on the detention of Ms. Janecek on suspicion of shoplifting.

19. **Jeff Piil***

SW received a demand letter alleging wrongful termination and potential discrimination last year. No charge or lawsuit has been filed to date.

20. **Stryker Clark***

On October 18, 2005, a demand letter was sent to SW on behalf of Stryker Clark, alleging false imprisonment and seeking the rescission of a restitution agreement previously entered into between SW and Mr. Clark. The Corporation denies any wrongdoing and will vigorously defend against any action that may be filed by Mr. Clark. No evaluation presently can be made as to the final outcome of this matter or the likelihood or range of potential loss, if any.

21. **Paul Reynolds****

Mr. Reynolds sent a demand letter to SW alleging damages as a result of allegedly having been sold the wrong hunting license. To date, no action has resulted.

22. **Edward Gaston****

Last fall, Mr. Gaston was acquitted of shoplifting in the following case. His attorney gave some indications, around the time of the criminal trial, that civil action might be taken by Mr. Gaston against SW. To date, no such action has been pursued. *State of South Carolina v. Edward .W Gaston*; Case No. J847162.

23. **Ian Schuh***

Mr. Schuh filed a complaint with the State of Oregon seeking a rain check on a sale offer. SW offered to issue such a rain check, and no further action was occurred. *Ian Schuh*; FFI0926-08.

24. **Nevada Power Company, Sierra Pacific Power Co., and/or Nevada Energy ("Nevada Energy")****

On May 11, 2009, Nevada Energy presented a claim to Hartford Fire Insurance Company ("Hartford") for unpaid utility bills in the approximate original amount of \$31,000 against Bond Number 34 BSB FE7732 issued on behalf of SW. Hartford has requested further information from Nevada Energy and is investigating the claim and has informed SW of this claim by letter dated June 4, 2009. SW responded to Hartford by letter dated June 30, 2009, acknowledging an amount of \$26,446.16.

25. Arizona Public Services (“APS”)**

On May 26, 2009, APS presented a claim to Hartford for unpaid utility bills in the original amount of \$13,017.34 against Bond Number 34 BSB CP9583 issued on behalf of SW. Hartford has requested further information from APS and is investigating the claim, and has been advised SKI of this claim by letter dated June 4, 2009, acknowledging an amount of \$1,655.29 on account 26794287, an amount of \$9,675.02 on account 621154282, and an amount of \$1,244.75 on account 533856281.

26. ACI Mechanical, Inc. **

On March 24, 2009, ACI Mechanical, Inc. filed a lien against property owned by SW and upon which SW operates in Ankeny, Iowa for unpaid HVAC parts and services in the original amount of \$1745.98, pursuant to that certain Mechanic’s Lien recorded as Document Number 23672. SW has taken no action regarding this lien.

27. Raymond C. Rumpf & Son**

On March 10, 2009, Raymond C. Rumpf & Son commenced an action against Pacific Flyway Wholesale for nonpayment of goods provided in the original amount of \$7,888.15, Case No. 09-02447-27-1.

28. Heston Stewart McBride, III*

On December 2, 2005, a demand letter was sent to SW on behalf of Heston Stewart McBride, III, demanding the return of \$250.00 paid by Mr. McBride’s guardian as part of a restitution agreement with SW. The Corporation has denied the claim. No evaluation presently can be made as to the final outcome of this matter or the likelihood or range of potential loss, if any.

29. Odessa Chunn*

In June 2006, former employee Odessa Chunn appealed the initial denial of her claim for unemployment benefits to the State of Utah. The Corporation contested Ms. Chunn’s claim and prevailed in an administrative proceeding that is now final. During the course of the appeal, Ms. Chunn voiced allegations that might give rise to a charge of discrimination. No further action has been taken to date by Ms. Chunn. No evaluation presently can be made as to the final outcome of this matter or the likelihood or range of potential loss, if any.

30. McGillis/Eckman Investments-Billings, LLC

McGillis/Eckman Investments-Billings, LLC (“MEI”), as landlord, and Lead Borrower, as tenant, entered into a Lease dated March 20, 2008 (the “Billings Lease”) for the operation of a Sportsman’s Warehouse store in Billings, Montana (the “Billings Store”). Lead Borrower assumed certain obligations of the Billings Lease in connection with that certain plan of reorganization (the “Plan”) confirmed by the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), *In re Sportsman’s Warehouse, Inc.*, Case No. 09-10990 (Bankr. D. Del.) (the “Reorganization”). On February 19, 2010, MEI filed a Complaint in Case No. DV-10 294, in the Thirteenth Judicial District Court, Yellowstone County, in Billings, Montana (the “Montana Action”) alleging that Lead Borrower was in default of the Billings Lease for failure to purchase the Billings Store, pursuant to an Option to Purchase contained in the Billings Lease. In the Montana Action, MEI sought specific performance of the purchase, or in the alternative, damages

in the approximate amount of \$3,000,000. At approximately the same time, MEI demanded that Lead Borrower vacate the Billings Store, which vacation Lead Borrower completed as of March 1, 2010. On March 11, 2010, Lead Borrower filed a Notice of Removal in the Montana Action removing the Montana Action to the United States District Court for the District of Montana under 28 U.S.C. Section 1334. On March 17, 2010, Lead Borrower filed a Complaint in the Bankruptcy Court ("Bankruptcy Court Action"), requesting declaration that the Montana Action is invalid or, in the alternative, that the Bankruptcy Court's order authorizing assumption of the Billings Lease be vacated. MEI has moved to dismiss the Bankruptcy Court Action, which motion Lead Borrower has opposed. The Bankruptcy Court entered a scheduling order providing for initial disclosures to be exchanged by the parties on May 28, 2010, with fact discovery to be completed by October 22, 2010, and with expert discovery to finish by December 21, 2010. The Court also set a further status conference on February 1, 2011. No trial date has been set.

31. See also Schedules 5.17 and 5.18

- * This is a pre-petition claim which was not scheduled and for which no proof of claim was filed and so the Borrowers believe that the claim has been expunged in accordance with the Plan of Reorganization. To the extent that such claim is not expunged, it will be resolved in accordance with the terms of the Plan of Reorganization.
- ** This claim was either listed on the Borrowers schedules or a proof of claim was filed with respect to this claim, and it will be resolved in accordance with the terms of the Plan of Reorganization.

Default

Lead Borrower is a party to that certain Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement dated December 12, 2000 and related documents, as restated December 18, 2001, together with additional borrowing which was memorialized July 21, 2006 (collectively, "American Loan Documents"), whereby American Bank of St. Paul and its successor ("American") provided financing for the purchase of real estate and construction of a Store on the Loveland Property (the "American Loan"). Lead Borrower is in default of the Loan Documents by reason of the following:

1. Immediately prior to and following the Loan Parties' filing of a Chapter 11 Bankruptcy Reorganization (the "Reorganization"), the Loan Parties did not prepare annual or quarterly audited financial information due to the fact that weekly financial information was being provided at the specific requirement of GE Capital Finance Corporation, the primary lender to the Loan Parties. The failure to provide annual or quarterly audited financial information resulted in a default under the American Loan Documents ("Audit Default") and American provided Lead Borrower with notice of the Audit Default by written notice dated December 16, 2009. Lead Borrower cannot cure the Audit Default.

2. At the time the American Loan Documents were entered into, Stuart Utgaard was (a) together with his immediate family, the majority owner of Parent, (b) a director of the Loan Parties, and (c) CEO of the Loan Parties. In such capacity, Mr. Utgaard executed a personal guaranty of the American Loan. Following the Reorganization, Mr. Utgaard retained no connection to the Loan Parties or the operation of the business and was no longer an owner, director, officer or employee of any Loan Party. In December 2010, Mr. Utgaard filed for bankruptcy, which filing resulted in a default under the American Loan Documents ("Utgaard Default") and American provided Lead Borrower with notice of the Utgaard Default by written notice dated January 27, 2009. Lead Borrower cannot cure the Utgaard Default.

American will not waive the Audit Default or the Utgaard Default. American has applied default interest to the American Loan payments made by Lead Borrower.

American has taken no other action to enforce its rights under the American Loan Documents, and Lead Borrower has taken no action to formally dispute the defaults. The American Loan will be paid in full by proceeds of the Loan as soon as the Eligible Real Estate meets the requirements of this Agreement.

Owned Real Estate

Sportsman’s Warehouse, Inc.

<u>Address</u>	<u>Mortgagee / Lien Holders</u>
Store #106 1675 Rocky Mountain Ave. Loveland, CO 80538 Larimer County	American Bank
Store #114 165 West 7200 South Midvale, UT 84047 Salt Lake County	Stearns Bank
Store #117 19205 N. 27th Ave. Phoenix, AZ 85027 Maricopa County	Heritage Bank
Store #119 11 West 84th Ave. Thornton, CO 80260 Adams County	Beal Bank Nevada
Store #120 921 SE Oralabor Rd. Ankeny, IA 50021 Polk County	First American Bank ACI Mechanical, Inc.*
Store #139 1750 S. Greenfield Rd. Mesa, AZ 85206-3481 Maricopa County	Heritage Bank

* On March 24, 2009, ACI Mechanical, Inc. filed a lien against property owned by SW and upon which SW operates in Ankeny, Iowa for unpaid HVAC parts and services in the original amount of \$1745.98, pursuant to that certain Mechanic’s Lien recorded as Document Number 23672. ACI Mechanical, Inc. is an unsecured creditor under the Plan of Reorganization approved by Order of the United States Bankruptcy Court entered July 30, 2009, which provided for the satisfaction of this claim. Counsel for the Lead Borrower sent a letter to ACI Mechanical requesting that the lien be immediately released.

No other Loan Party owns Real Estate.

Disclosure Schedule 5.08(b)(2)

Leased Real Estate

Sportsman's Warehouse, Inc.

<u>Address</u>	<u>Current Landlord</u>
1137 W. Riverdale Road Riverdale, Utah 84405 (Ogden) Weber County	DDR Riverdale South LLC c/o Developers Diversified Realty Corporation 3300 Enterprise Parkway Beachwood, OH 44122 Re: Account # 104873-20247-7076
3797 E. Fairview Avenue Meridian, Idaho 83642 (Boise) Ada County	GS II Meridian Crossroads LLC c/o Developers Diversified Realty Corporation 3300 Enterprise Parkway Beachwood, OH 44122 # 104873-20236-7074
2909 S. Hitt Road Ammon, Idaho 83405 (Idaho Falls) Bonneville County	William H. Ziering P.O. Box 8435 15611 Via De Santa Fe Rancho Santa Fe, CA 92067
2464 US Highway 6 & 50 Grand Junction, Colorado 81505 Mesa County	Grand Mesa Center, L.L.C. (DE LLC) c/o THF Realty, Inc. 2127 Innerbelt Business Center Drive Suite 200 St. Louis, MO 63114 Attn: Lease Administration
1075 South University Avenue Provo, Utah 84601 Utah County	East Bay Center, LLC. (UT LLC) c/o Elliott Associates, Inc. as agents 901 NE Gilsan Portland, OR 97232
7035 High Tech Drive, #200 Midvale, Utah 84047 (Corporate Offices) Salt Lake County	7037 South Warehouse LLC (UT LLC) Attn: Scott A. Nielsen 6371 South Vintage Oak Lane Salt Lake City, UT 84121
1940 Bridgeview Blvd. Twin Falls, Idaho 83301 Twin Falls County	Canyon Park I, LLC (ID LLC) Attn: Tina Luper 1411 Falls Avenue East, Suite 1201 Twin Falls, ID 83301 208/736-0926
8681 Old Seward Highway Anchorage, AK 99515 Anchorage Borough (County)	ANC Dimond LLC and ANC Hawkins LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
3306 Kietzke Lane Reno, Nevada 89502 Washoe County	Kietzke Plaza LLC (WA LLC) Attn: Rob Rothe 3000 Northup Way Suite 101 Bellevue, WA 98004

<u>Address</u>	<u>Current Landlord</u>
1450 Renaissance Blvd., NE Albuquerque, New Mexico 87107 Bernalillo County	Kenneth Donald Knieval Administrative Agent 225 Sequoia Circle Windsor, CO 80550-5807
3945 West Costco Drive Marana (Tucson), Arizona 85741 Pima County	HCo Marana LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
423 Merhar Avenue Fairbanks, Alaska 99701-3166 Fairbanks North Star Borough (County)	Aurora Center LLC, Cascade I, LLC and Cornell III, LLC c/o Elliott Associates 901 NE Glisan Street Portland, OR 97232
9669 South Prosperity Road West Jordan, Utah 84081-6219 (Distribution Center) Salt Lake County	KPFN Properties, L.C. The Ninigret Group, L.C. Manager 1700 South 4650 West Salt Lake City, UT 84104 Attn: Randolph G. Abood, Manager
555 North Chelton Road Colorado Springs, CO 80909-5217 El Paso County	MMP Citadel, LLC (a Delaware LLC) MMP Citadel, LLC 5571 Bleaux Avenue Springdale, AR 72762
4120 East 2nd Street Casper, WY 82609-2319 Natrona County	GRH Casper LLC MKJ Casper LLC c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
6241 Perimeter Drive, Suite J Chattanooga, TN 37421-3601 Hamilton County	G&M Chattanooga (ID GP) and Slovis Chattanooga, LLC (TN LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
2957 East 850 North St. George, UT 84790 Washington County	Miller Properties St. George, LLC (ID LLC) Attn: Otto Miller 1322 Marsten Road Burlingame, CA 94010
476 Piney Grove Road Columbia, South Carolina 29210 Richland County	Boise Spectrum LLC (ID LLC), GRH Kaysville LLC (ID LLC) and MRH Venture Capital LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
2200 War Admiral Place, Suite 130 Lexington, KY 40509 Lexington-Fayette County	War Admiral Place, LLC (KY LLC) 2527 Sir Barton Way Lexington, KY 40509
1901 East Parks Highway Wasilla, AK 99654 Matanuska-Susitna Borough (County)	GRH Jenks LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153

Address

1710 Delta Waters Road
Medford, OR 97504
Jackson County

Current Landlord

Crater Lake Venture, LLC (OR LLC)
Attn: Sheila Roley, Property Manager
744 Cardley Avenue, Suite 100
Medford, OR 97504

Sportsman's Warehouse Southwest, Inc.

Address

6640 Lonetree Blvd.
Rocklin, CA 95765
Placer County

Current Landlord

Rocklin Retail LLC (CA LLC)
Attn: Michael Smythe
142 S. Santa Cruz Avenue
Los Gatos, CA 95030

Disclosure Schedule 5.09**Environmental Matters**

The representations and warranties made by the Loan Parties in Section 5.09 are qualified by the contents of the following environmental reports and documents:

<u>Location</u>	<u>Assessment CO.</u>	<u>Date</u>
Twin Falls, ID	Ph I - EHM Engineering, Twin Falls, ID	07/12/00
Anchorage, AK	Geo - Dowl Engineers, Anchorage, AK	09/18/92
Albuquerque, NM	Ph I - Vinyard & Assoc., Albuquerque, NM	03/05/01
Tucson, AZ	Ph I - AMEC, Tempe, AZ	06/24/04
	Geo - Speedie & Assoc., Phoenix, AZ	07/12/04
Colorado Springs, CO	Geo - Terracon, Colorado Springs, CO	04/08/05
St. George, UT	Geo - AGECE, St. George, UT	05/03/05
Columbia, SC	Geo - Schnabel Engineering, W. Columbia, SC	08/18/05
Rocklin, CA	Geo - Earthtec Ltd., Roseville, CA	10/14/97
Billings, MT	Geo - Rimrock Engineering, Billings, MT	12/20/07
Wasilla, AK	Geo - Northern Geotechnical Engineers, Anchorage, AK	09/20/06
Loveland, CO	ENSR 1601 Prospect Prkwy Fort Collins, CO 80525	October, 1997
Thornton, CO	ERO Resources Corp 1740 High Street Denver, CO 80218	June, 1996
Thornton, CO	Environmental Resources Mgmt S9S0 S Willow Drive Greenwood Village, CO	May, 2003
Mesa, AZ	Certified Environmental Services, INC 1348 E Missouri Ave Phoenix, AZ 85014	February, 2005
Ankeny, IA	Allender Butzke Engineers 3660 109th Street Urbandale IA 50322	June, 2003
Phoenix, AZ	Knudsen-Smith Engineering 7902 North Black Canyon HWY Phoenix, AZ 85051	October, 2002
Midvale, UT	Bingham Environmental 5160 Wiley Post Way Salt Lake City, UT 84116	June, 2002
Review of Ankeny, Loveland, Mesa, Phoenix, St. Cloud	Rqstd by Seidler performed by GaiaTech 3343 Peachtree Road NE Atlanta GA 30326	June, 2007

<u>Location</u>	<u>Assessment CO.</u>	<u>Date</u>
Midvale, UT	GaiaTech 3343 Peachtree Road NE Atlanta GA 30326	June, 2007
Thornton, CO	GaiaTech 3343 Peachtree Road NE Atlanta GA 30326	May, 2007
Distribution Center, UT	GaiaTech 3343 Peachtree Road NE Atlanta GA 30326	June, 2007
Allen Park, MI	NTH Consultants, Ltd. Post Closure Plan - Ford Motor Land Development Corporation 550 Town Center Drive, Suite 200 Dearborn, MI 48126-2477	January, 2007 July, 2004

Disclosure Schedule 5.10

Insurance

Summary of insurance policies held by the Loan Parties:

Type	Policy #/Period	Limits	Deductible	Premiums
EPLI - CHUBB		Agent: Diversified Insurance / Carpenter Moore		

Directors & Officers	4/1/10 - 4/1/11	***	***	Total premium for all three coverages \$***
Employment Practices	4/1/10 - 4/1/11	***	***	
Third Party Discrimination	4/1/10 - 4/1/11	***	***	
Fiduciary	4/1/10 - 4/1/11	***	***	
EPLI - XL Specialty Insurance Company		Agent: Diversified Insurance / Carpenter Moore		

D&O EPLI - Excess	4/1/10 - 4/1/11	***	N/A	\$ ***
Worker's Comp - The Hartford		Agent: Lockton Companies		

	11/1/09 - 11/1/10	(A)***	N/A	\$ ***
GL, Property, Umbrella		Agent: Lockton Companies		

GL - National Fire Insurance	11/1/09 - 11/1/10	***	***	\$ ***

Property - Continental Casualty Co.	11/1/09 - 11/1/10	***	***	\$ ***
	***		(Other Deductibles: ***)	
Umbrella - Continental Casualty Co.	11/1/09 - 11/1/10	***	***	\$ ***
Auto - Valley Forge Ins. Co.		Agent: Lockton Companies		

	11/1/09 - 11/1/10	***	***	\$ ***
Ocean Cargo - Falvey Cargo		Agent: Lockton Companies		

	11/1/09 - 11/1/10	***	***	\$ ***
Crime - National Union Fire		Agent: Lockton Companies		

	11/1/09 - 11/1/10	***	***	\$ ***

(A) ***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Subsidiaries; Other Equity Investments; Equity Interests in the Borrower

(a) Authorized Equity Interests*

<u>Company</u>	<u>Jurisdiction of Organization</u>	<u>Authorized Equity Interests</u>
Sportsman's Warehouse, Inc.	Utah	1,000 Shares Common Stock, \$0.01 par value
Minnesota Merchandising Corp.	Minnesota	1,000 Shares Common Stock, \$0.01 par value
Sportsman's Warehouse Southwest, Inc.	California	1,000 Shares Common Stock, \$0.01 par value
Pacific Flyway Wholesale, LLC	Delaware	Percentage Interests

* For amounts owned by the Loan Parties, see (b) and (c) below.

(b) Equity Interests held

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman's Warehouse, Inc.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100
Minnesota Merchandising Corp.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100
Sportsman's Warehouse Southwest, Inc.	Sportsman's Warehouse, Inc.	Common Stock	100
Pacific Flyway Wholesale, LLC	Sportsman's Warehouse, Inc.	Percentage Interests	100% of the Percentage Interests

(c) Loan Party Ownership (see also (b) above)

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman's Warehouse Holdings, Inc.*	SEP SWH Holdings, L.P.	Common Stock	47,000
	New SEP SWH Holdings, L.P.	Common Stock	48,000

* Up to 20,000 shares of Sportsman's Warehouse Holdings, Inc.'s common stock may be reserved for issuance under the Equity Incentive Plan.

Intellectual Property

Infringement Claims

Bill Kinney**

On July 14, 2009, SW received a cease and desist letter from counsel for photographer Bill Kinney, alleging that one of his photographs was copied in t-shirt formerly sold by SW. SW responded by stating that it is currently in bankruptcy proceedings and has not sold the t-shirt in several years.

** This claim was either listed on the Borrowers' schedules or a proof of claim was filed with respect to this claim, and it will be resolved in accordance with the terms of the Plan of Reorganization.

Labor Matters

Plan/Agreement/Arrangements:

The Management Reimbursement Agreement

Outline of Basic Terms of Employment Regarding Employment of John Schaefer, dated July 15, 2009.

Equity Incentive Plan.

Complaints/Claims:

Notice of Wage Lien filed by the Wisconsin Department of Workforce Development (Lien Claimant) against SW pursuant to Wisconsin Statute Section 109.09. (Wisconsin Department of Financial Institutions Filing #090005754223). This wage lien relates to an alleged violation of Wisconsin's plant closing law (state WARN Act). SW believes this wage lien relates to a store closing whereby Wisconsin stores closed approximately 11 days prior to the end of a previously noticed 60 day WARN Act period. It appears that at least the following two individuals may have made claims against SW under the Wisconsin plant closing law: (1) Bob Anderson (ERD Case #200901406); (2) Kent R. Stoddard (#LS200901406); and (3) Peter Iverson (ERD Case # LS200901730). Portions of the above-referenced claims may also relate to an alleged failure to pay certain accrued paid time off ("PTO")/vacation.

Charge of Discrimination Filed by Mary Bishop against SW at the Oregon Bureau of Labor and Industries and the U.S. Equal Employment Opportunity Commission (FEPA No. EESH09110261648 and EEOC No. 38D-2010-00071). Ms. Bishop, a former employee at the Medford, Oregon location, filed a charge of discrimination on November 2, 2009. Ms. Bishop's charge of discrimination alleged sexual harassment and retaliation based on an alleged incident on August 17, 2009. SW denied these allegations and intends to vigorously defend this case, which remains under investigation by the administrative agency.

Charge of Discrimination Filed by John Castro against SW at the California Department of Fair Employment & Housing and the U.S. Equal Employment Opportunity Commission (DFEH No. 200910-H-0830-00-pe and EEOC No. 37A-B0-07135). Mr. Castro, a former employee at the Rocklin, California location, filed a charge of discrimination on January 28, 2010 alleging disability discrimination. SW denies these allegations and is participating in a mediation process offered by the California Department of Fair Employment & Housing.

Alaska State Commission for Human Rights Complaint of Discrimination filed by Krystal Wilder against SW (ASCHR No. J-09-148). Ms. Wilder, a former employee at the Fairbanks, Alaska location, filed a charge of discrimination on or about June 16, 2009 alleging sexual harassment and retaliation. Ms. Wilder's charge of discrimination referred to an incident that allegedly occurred on April 6, 2009 and to Ms. Wilder's alleged constructive discharge on May 22, 2009. SW denied these allegations. The Alaska Human Rights Commission closed this case on October 6, 2009 after the parties reached a resolution.

Compliance with the Fair Labor Standards Act or other law applicable to such matters

SW has received notice of 278 claims made by employees for failure to pay PTO, which total in the aggregate approximately \$250,000.

Disclosure Schedule 5.21(a)

DDAs and Blocked Accounts

U.S. Bank National Association

One US Bank Plaza
 7th & Washington
 St. Louis, Missouri 63101
 Attn: Roger Randall
 (314) 418-8683

<u>Account Holder</u>	<u>Description</u>	<u>Account Number</u>	
Sportsman’s Warehouse, Inc.	Concentration Account	***	
	CD Account	***	
	Main Operating Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Pacific Flyway Wholesale, LLC	Collateral (Depository)	***
		Controlled Disbursement	***
	Operating Account	***	
Sportsman’s Warehouse Southwest, Inc.	Depository Account	***	

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

* Store has closed and account is still open but not active and will be closed shortly. The account is not subject to any Blocked Account Agreement.

Wells Fargo Bank, N.A.

299 South Main St., 4th Floor
SLC, UT 84111
Attn: Gary Rigby
(801) 246-1033

<u>Account Holder</u>	<u>Description</u>		<u>Account Number</u>
Sportsman's Warehouse, Inc.	Collateral (Depository)	***	
	Operating Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	

Bank of America, N.A.

Global Product Solutions
901 Main St., 7th Floor
Mail Code: TXI-492-07-14
Dallas, TX 75202
Attn: Terri Tossman
(800) 657-9533

<u>Account Holder</u>	<u>Description</u>		<u>Account Number</u>
Sportsman's Warehouse	Master Funding Account**	***	
	Sub-Account**	***	

** These accounts are not subject to a Blocked Account Agreement.

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Disclosure Schedule 5.21(b)

Credit Card Arrangements

The Borrowers have credit card processing arrangements with the following processors:

1. Terms of Service, as may have been amended and supplemented from time to time (including without limitation by the terms of the PIN-Based, Online Debit Card Addendum to the Terms of Service), between Elavon, Inc. (US Bank) and Sportsman's Warehouse, Inc.
2. Merchant Services Agreement, Form 33722, Rev. 9/02, effective as of June 1, 2003, as may have been amended and supplemented from time to time, between DFS Services LLC f/k/a Discover Financial Services LLC and Sportsman's Warehouse, Inc.
3. American Express® Card Acceptance Agreement, as may have been amended and supplemented from time to time between American Express Travel Related Services Company, Inc. and Sportsman's Warehouse, Inc.

Disclosure Schedule 5.24

Material Contracts

Management Reimbursement Agreement

Sponsor Note

Sponsor Security Agreement

Parent Guaranty of Sponsor Note

Trade Credit Documents

Mortgages listed on Schedule 7.03

Leases

Notes payable listed on Schedule 7.03

SCHEDULE 6.02

COLLATERAL REPORTING

In addition to the other materials and information required to be provided pursuant to the terms of the Credit Agreement, the Loan Parties shall provide Administrative Agent, on the applicable day specified below, the following documents (each in such form and detail as the Administrative Agent from time to time may specify):

Monthly Reports. Monthly, the Loan Parties shall provide to Administrative Agent original counterparts of (each in such form as Administrative Agent from time to time may specify):

- a) On the fifth (5th) Day of each Fiscal Month (or, if such day is not a Business Day, on the next succeeding Business Day), provided, however, upon the occurrence and during the continuation of an Accelerated Borrowing Base Delivery Event on Wednesday of each week (or, if Wednesday is not a Business Day, on the next succeeding Business Day):
 - i. On such day, supporting source documents for the Borrowing Base Certificate delivered in accordance with Section 6.02(c) of the Credit Agreement.
- b) Within fifteen (15) days of the end of each Fiscal Month for the immediately preceding Fiscal Month:
 - i. Purchases and accounts payable analysis report, (together with account payable aging) for each Loan Party, in Administrative Agent's format; and
 - ii. Inventory summary by Store location and department; and
 - iii. Inventory certificate in Administrative Agent's format; and
- c) Within 30 days of the end of each Fiscal Month for the immediately preceding Fiscal Month:
 - i. Reconciliation of the stock ledger to the general ledger and the calculation of Availability; and
 - ii. Gross Margin Reconciliation; and
 - iii. Statement of Store Activity in Administrative Agent's format; and
 - iv. Such other information as the Administrative Agent may from time to time reasonably request.

For purposes of Sections (a), (b), and (c) above, the first "preceding Fiscal Month" in respect of which the items required by such Section shall be provided shall be May 2010.

Disclosure Schedule 7.01

Existing Liens

Liens securing the Sponsor Note and the Trade Credit.

Liens with respect to the Allowed Priority Tax Claims.

Liens in personal property of SW located in the State of Wisconsin with respect to the Notice of Wage Lien filed by the Wisconsin Department of Workforce Development against SW pursuant to Wisconsin Statute Section 109.09. (Wisconsin Department of Financial Institutions Filing #090005754223). As of the Closing Date, SW believes that there is no personal property of SW located in the State of Wisconsin.

Liens in property of SW located in Ankeny, Iowa with respect to the ACI Mechanical's claim (see Item 9 of Schedule 5.06).

Liens in leased property of SW located in West Jordan, Utah with respect to unpaid HVAC repair services in the original amount of \$3,400.69, pursuant to that certain Notice of Mechanic's Lien recorded as Document Number 105564526, which lien was amended on May 6, 2009 by that certain Amended Notice of Mechanic's Lien recorded as Document Number 10695203. All amounts owed have since been paid in full and the release of this lien is forthcoming.

UCC-1 Financing Statement to be filed against Pacific Flyway Wholesale, LLC as successor to Pacific Flyway Wholesale, Inc. by DeLage Financial to secure the capital lease obligations described on Schedule 7.03.

Existing Financing Statements:*

<u>Debtor Name, as listed</u>	<u>Secured Party Name</u>	<u>Filing Date</u>	<u>Lapse Date</u>	<u>Orig. File No.</u>	<u>Property</u>
Sportsman's Warehouse Inc.	Network Appliance Inc.	6/20/2007	6/20/2012	322417200700	Computer equipment

Real Property Interests:*

<u>Entity</u>	<u>Property Location</u>	<u>Secured Party</u>	<u>File Number</u>	<u>File Date</u>	<u>File Type</u>
Sports Warehouse Inc.	Ankeny, Iowa (Polk County)	First American Bank	2003-00008523	7/21/03	Mortgage
Sports Warehouse Inc.	Ankeny, Iowa (Polk County)	First American Bank	2003-00023206	8/15/03	UCC Fixture Filing
Sports Warehouse Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	8304913	7/29/02	Deed of Trust
Sports Warehouse Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	8304914	7/29/02	Assignment of Rents
Sports Warehouse Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	8304915	7/29/02	UCC Fixture Filing
Sports Warehouse Inc.	Loveland, Colorado (Larimer County)	The Midway National Bank of St. Paul	2000087366	12/26/00	Deed of Trust
Sports Warehouse Inc.	Loveland, Colorado (Larimer County)	The Midway National Bank of St. Paul	2000087367	12/26/00	UCC Fixture Filing

<u>Entity</u>	<u>Property Location</u>	<u>Secured Party</u>	<u>File Number</u>	<u>File Date</u>	<u>File Type</u>
Sports Warehouse Inc.	Loveland, Colorado (Larimer County)	The Midway National Bank of St. Paul	2001119798	12/27/01	Amendment No. 1 to Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement
Sportsman's Warehouse Inc.	Loveland, Colorado (Larimer County)	American Bank	2006-0056543 & 2006-0056544	7/27/06	Amendment No. 2 to Deed of Trust, Assignment of Rents, Security Agreement and Financing Statement
Sports Warehouse Inc.	Thornton, Colorado (Adams County)	Marshall Bank, N.A. (now Beal Bank Nevada)	C1140493	5/8/03	Deed of Trust, Security Agreement and Fixture Filing Statement
Sports Warehouse Inc.	Thornton, Colorado (Adams County)	Marshall Bank, N.A. (now Beal Bank Nevada)	C1140494	5/8/03	Assignment of Leases and Rents
Sports Warehouse Inc.	Thornton, Colorado (Adams County)	Marshall Bank, N.A. (now Beal Bank Nevada)			Amendment to Note, Construction and Term Loan Agreement, Mortgage and Assignment of Leases and Rents Fixture
Sports Warehouse Inc.	Utah	Marshall Bank, N.A. (now Beal Bank Nevada)	218230200327	5/30/2003	
Sportsman's Warehouse Inc.	Phoenix, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20040293461	3/23/04	Deed of Trust, Assignment of Rents and Security Agreement
Sportsman's Warehouse Inc.	Phoenix, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20060395368	3/23/06	Amendment to Deed of Trust, Assignment of Rents and Security Agreement
Sportsman's Warehouse Inc.	Mesa, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20050412728	4/1/05	Deed of Trust, Assignment of Rents and Security Agreement
Sportsman's Warehouse Inc.	Mesa, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20050412729	4/1/05	Fixture
Sportsman's Warehouse Inc.	Mesa, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20050441821	4/7/05	Fixture

* See Schedule 7.03 for the outstanding balance underlying the above liens.

Disclosure Schedule 7.02

Existing Investments

None other than as listed on Schedule 5.13.

Disclosure Schedule 7.03

Existing Indebtedness

Sponsor Note.

Trade Credit.

Cash Flow Payment.

Allowed Priority Tax Claims.

Other Existing Indebtedness:

<u>Company</u>	<u>Type</u>	<u>Maturity</u>	<u>Lender</u>	<u>Balance as of 5/1/10</u>
Sportsman's Warehouse, Inc.	Capital Lease	May 2010	NetworkAppliance (#36715M)	11,572
Sportsman's Warehouse, Inc.	Capital Lease	July 2010	CitiCorp Vendor Finance (#900-4504440-502)	16,183
Sportsman's Warehouse, Inc.	Capital Lease	December 2012	Leaf	48,972
Sportsman's Warehouse, Inc.	Mortgage	December 2011	Loveland - American Bank	2,859,071
Sportsman's Warehouse, Inc.	Mortgage	December 2011	Loveland - American Bank 2nd	1,357,290
Sportsman's Warehouse, Inc.	Mortgage	May 2023	Midvale - Stearns Bank	2,962,436
Sportsman's Warehouse, Inc.	Mortgage	March 2016	Phoenix - Heritage Bank - Refi	6,090,488
Sportsman's Warehouse, Inc.	Mortgage	May 2015	Thornton - Beal Bank Nevada	4,211,074
Sportsman's Warehouse, Inc.	Mortgage	January 2019	Ankeny - First American Bank	3,103,030
Sportsman's Warehouse, Inc.	Mortgage	November 2015	Mesa - Heritage Bank	4,890,843
Sportsman's Warehouse, Inc.	Notes Payable	April 2029	City of Loveland (Special Assessment District)	177,639
Sportsman's Warehouse, Inc.	Notes Payable	July 2011	GE Capital (Demantra)	548,111
Pacific Flyway, LLC	Capital Lease	December 2011	DeLage Financial	23,448

Administrative Agent's Office; Certain Addresses for Notices

Administrative Agent's Office:

Wells Fargo Retail Finance, LLC, as Administrative Agent
One Boston Place, 18th Floor
Boston, Massachusetts 02108
Attention: Mr. Cory Loftus – Director
Telephone: (617) 854-7259
Facsimile: (617) 523-4029
E-mail: cory.loftus@wellsfargo.com

Certain Addresses for Notices:

1. If to any Credit Party:

Sportsman's Warehouse, Inc.
7035 South High Tech Drive
Midvale, Utah 84047
Attn: Chief Financial Officer
Telephone: 801-304-4321
Facsimile: 801-304-4305
E-mail: ktalbot@sportsmanswarehouse.com

with copies to:

Lindquist & Vennum PLLP
4200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
Attn: Debra Page, Esq.
Telephone: 612-371-3528
Facsimile: 612-371-3207
E-mail: dpage@lindquist.com

and

Sportsman's Warehouse, Inc.
c/o Seidler Equity Partners
4640 Admiralty Way, Suite 1200
Marina del Rey, CA 90292
Attn: General Counsel
Telephone: 213-683-4551

Facsimile: 213-624-0691
E-mail: MFairclough@seidlercos.com

2. If to the Administrative Agent, the Collateral Agent, the L/C Issuer or the Swing Line Lender:

Wells Fargo Retail Finance, LLC, as Administrative Agent
One Boston Place, 18th Floor
Boston, Massachusetts 02108
Attention: Mr. Cory Loftus – Director
Telephone: (617) 854-7259
Facsimile: (617) 523-4029
E-mail: cory.loftus@wellsfargo.com

with a copy to:

Riemer & Braunstein LLP
Three Center Plaza Boston
Massachusetts 02108
Attention: Robert E. Paul, Esq.
Telephone: (617) 880-3551
Facsimile: (617) 692-3551
E-mail: rpaul@riemerlaw.com

Website address of the Lead Borrower: www.sportsmanswarehouse.com

EXHIBIT A

Form of Committed Loan Notice

COMMITTED LOAN NOTICE

Date: _____,

To: Wells Fargo Retail Finance, LLC, as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of _____, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto (individually, a "Guarantor" and, collectively, the "Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) WELLS FARGO RETAIL FINANCE, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender. Capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement.

The Lead Borrower hereby requests a [Committed Borrowing]¹[conversion of a Committed Loan from one Type to the other] [continuation of LIBO Rate Loans]:

1. On _____ (a Business Day)²
2. In the amount of \$ _____³
3. Comprised of [Base Rate] [LIBO Rate] Loans (Type of Loan)⁴
4. For LIBO Rate Loans: with an Interest Period of _____ months⁵

¹ A Borrowing must be a borrowing consisting of simultaneous Loans of the same Type and, in the case of LIBO Rate Loans, must have the same Interest Period.

² Each notice of a Committed Borrowing must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of LIBO Rate Loans, any conversion to, or continuation of, LIBO Rate Loans or any conversion of LIBO Rate Loans to Base Rate Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Loans.

³ Each Committed Borrowing of, conversion to, or continuation of, LIBO Rate Loans must be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof.

⁴ Loans may be either Base Rate Loans or LIBO Rate Loans. If the Type of Loan is not specified, then the applicable Loan will be made as a Base Rate Loan.

The Lead Borrower hereby represents and warrants (for itself and on behalf of the other Borrowers) that (a) the [Committed Borrowing] [conversion of Loans from one Type to the other] [continuation of LIBO Rate Loans] requested herein complies with the provisions of Section 2.02(b) of the Credit Agreement (other than any provision addressing the responsibilities or duties of the Administrative Agent, the Swing Line Lender or the Lenders), and (b) if requesting a Committed Borrowing (rather than a conversion of Loans from one Type to the other or a continuation of LIBO Rate Loans), the conditions specified in Section 4.02 of the Credit Agreement shall have been satisfied on and as of the date of the applicable Committed Borrowing.

[Signature Page Follows]

⁵ The Lead Borrower may request a Borrowing of LIBO Rate Loans with an Interest Period of one, two or three months. If no election of Interest Period is specified, then the Lead Borrower will be deemed to have specified an Interest Period of one month.

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation, as Lead Borrower

By: _____

Name: Kevan Talbot

Title: Chief Financial Officer

EXHIBIT B

Form of Swing Line Loan Notice

SWING LINE LOAN NOTICE

Date: _____,

To: Wells Fargo Retail Finance, LLC, as Swing Line Lender
Wells Fargo Retail Finance, LLC, as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of _____, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto (individually, a "Guarantor" and, collectively, the "Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) WELLS FARGO RETAIL FINANCE, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender. Capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement.

The Lead Borrower hereby requests a Swing Line Borrowing:

1. On _____ (a Business Day)⁶
2. In the amount of \$ _____⁷

The Lead Borrower (for itself and on behalf of the other Borrowers) hereby represents and warrants that (i) the Swing Line Borrowing requested herein complies with the provisions of Sections 2.04(a) and (b) of the Credit Agreement (other than any provision addressing the responsibilities or duties of the Administrative Agent, the Swing Line Lender or the Lenders), and (ii) the conditions specified in Section 4.02 of the Credit Agreement shall have been satisfied on and as of the date set forth in item 1 above.

⁶ Each notice of a Swing Line Borrowing must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested date of any Swing Line Borrowing.

⁷ Each Swing Line Borrowing shall be for an amount no less than \$100,000.

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation, as Lead Borrower

By: _____

Name: Kevan Talbot

Title: Chief Financial Officer

Exhibit C-1

Committed Loan Note

[See attached]

COMMITTED LOAN NOTE

\$75,000,000.00

May 28, 2010

FOR VALUE RECEIVED, the undersigned (individually, a "Borrower" and, collectively, the "Borrowers"), jointly and severally promise to pay to the order of WELLS FARGO RETAIL FINANCE, LLC (hereinafter, with any subsequent holders, the "Lender"), at One Boston Place, 19th Floor, Boston, Massachusetts 02108, the principal sum of SEVENTY FIVE MILLION DOLLARS (\$75,000,000.00), or, if less, the aggregate unpaid principal balance of Committed Loans made by the Lender to or for the account of any Borrower pursuant to the Credit Agreement dated as of May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement") by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto (individually, a "Guarantor" and, collectively, the "Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) Wells Fargo Retail Finance, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender, with interest at the rate and payable in the manner stated therein.

This is a "Note" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. The principal of, and interest on, this Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Administrative Agent's books and records concerning the Loans, the accrual of interest thereon, and the repayment of such Loans, shall, absent manifest error, be prima facie evidence of the indebtedness to the Lender hereunder.

No delay or omission by any Agent or the Lender in exercising or enforcing any of such Agent's or the Lender's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver of any such Event of Default (unless specifically stated in such waiver).

Each Borrower, and each endorser of this Note, waives presentment, demand, notice, and protest, and also waives any delay on the part of the holder hereof. Each Borrower assents to any extension or other indulgence (including, without limitation, the release or substitution of Collateral) permitted by any Agent and/or the Lender with respect to this Note and/or any Collateral or any extension or other indulgence with respect to any other liability or any collateral given to secure any other liability of any Borrower or any other Person obligated on account of this Note.

This Note shall be binding upon each Borrower, and each endorser hereof, and upon their respective successors, assigns, and representatives, and shall inure to the benefit of Lender and its successors, endorsees, and assigns.

The liabilities of each Borrower, and of any endorser of this Note, are joint and several, *provided, however*, the release by any Agent or the Lender of any one or more such Persons shall not release any other Person obligated on account of this Note. Each reference in this Note to any Borrower, and any endorser, is to such Person individually and also to all such Persons jointly. No Person obligated on account of this Note may seek contribution from any other Person also obligated unless and until all of the Obligations have been paid in full in cash.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

EACH OF THE BORROWERS IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY 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 NOTE OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE BORROWERS 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 COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE BORROWERS 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 NOTE OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR THE LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT AGAINST ANY OF THE BORROWERS OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

EACH OF THE BORROWERS IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO ABOVE. EACH OF THE BORROWERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Each Borrower makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Agents and the Lender, in the establishment and maintenance of their respective relationship with the Borrowers contemplated by this Note, are each relying thereon.

EACH BORROWER, EACH ENDORSER, AND THE LENDER, BY ITS ACCEPTANCE HEREOF, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH BORROWER AND THE LENDER, BY ITS ACCEPTANCE HEREOF, (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THE CREDIT AGREEMENT AND THIS NOTE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS HEREIN.

[SIGNATURE PAGES FOLLOW]

Borrowers:

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE
SOUTHWEST, INC., a California corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.,
a Minnesota corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC,
a Delaware limited liability company

by Sportsman's Warehouse, Inc., its sole member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to Committed Loan Note

Exhibit C-2

Swing Line Loan Note

[See attached]

SWING LINE LOAN NOTE

\$7,500,000.00

May 28, 2010

FOR VALUE RECEIVED, the undersigned (individually, a "Borrower" and, collectively, the "Borrowers"), jointly and severally promise to pay to the order of WELLS FARGO RETAIL FINANCE, LLC (hereinafter, with any subsequent holders, the "Lender"), at One Boston Place, 19th Floor, Boston, Massachusetts 02108, the principal sum of SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000.00), or, if less, the aggregate unpaid principal balance of Swing Line Loans made by the Lender to or for the account of any Borrower pursuant to the Credit Agreement dated as of the date hereof (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement") by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto (individually, a "Guarantor" and, collectively, the "Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) Wells Fargo Retail Finance, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender, with interest at the rate and payable in the manner stated therein.

This is a "Note" to which reference is made in the Credit Agreement and is subject to all terms and provisions thereof. The principal of, and interest on, this Note shall be payable at the times, in the manner, and in the amounts as provided in the Credit Agreement and shall be subject to prepayment and acceleration as provided therein. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

The Administrative Agent's books and records concerning the Loans, the accrual of interest thereon, and the repayment of such Loans, shall, absent manifest error, be prima facie evidence of the indebtedness to the Lender hereunder.

No delay or omission by any Agent or the Lender in exercising or enforcing any of such Agent's or the Lender's powers, rights, privileges, remedies, or discretions hereunder shall operate as a waiver thereof on that occasion nor on any other occasion. No waiver of any Event of Default shall operate as a waiver of any other Event of Default, nor as a continuing waiver of any such Event of Default (unless specifically stated in such waiver).

Each Borrower, and each endorser of this Note, waives presentment, demand, notice, and protest, and also waives any delay on the part of the holder hereof. Each Borrower assents to any extension or other indulgence (including, without limitation, the release or substitution of Collateral) permitted by any Agent and/or the Lender with respect to this Note and/or any Collateral or any extension or other indulgence with respect to any other liability or any collateral given to secure any other liability of any Borrower or any other Person obligated on account of this Note.

This Note shall be binding upon each Borrower, and each endorser hereof, and upon their respective successors, assigns, and representatives, and shall inure to the benefit of Lender and its successors, endorsees, and assigns.

The liabilities of each Borrower, and of any endorser of this Note, are joint and several, *provided, however*, the release by any Agent or the Lender of any one or more such Persons shall not release any other Person obligated on account of this Note. Each reference in this Note to any Borrower, and any endorser, is to such Person individually and also to all such Persons jointly. No Person obligated on account of this Note may seek contribution from any other Person also obligated unless and until all of the Obligations have been paid in full in cash.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

EACH OF THE BORROWERS IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY 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 NOTE OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE BORROWERS 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 COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE BORROWERS 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 NOTE OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE ADMINISTRATIVE AGENT OR THE LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT AGAINST ANY OF THE BORROWERS OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

EACH OF THE BORROWERS IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO ABOVE. EACH OF THE BORROWERS HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

Each Borrower makes the following waiver knowingly, voluntarily, and intentionally, and understands that the Agents and the Lender, in the establishment and maintenance of their respective relationship with the Borrowers contemplated by this Note, are each relying thereon. EACH BORROWER, EACH ENDORSER, AND THE LENDER, BY ITS ACCEPTANCE

HEREOF, HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS NOTE OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH BORROWER AND THE LENDER, BY ITS ACCEPTANCE HEREOF, (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO THE CREDIT AGREEMENT AND THIS NOTE BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS HEREIN.

[SIGNATURE PAGES FOLLOW]

Borrowers:

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE
SOUTHWEST, INC., a California corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.,
a Minnesota corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC,
a Delaware limited liability company

by Sportsman's Warehouse, Inc., its sole member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to Swing Line Loan Note

EXHIBIT D

Form of Compliance Certificate

COMPLIANCE CERTIFICATE

Date of Certificate:

To: Wells Fargo Retail Finance, LLC, as Administrative Agent

Ladies and Gentlemen:

Reference is made to that certain Credit Agreement, dated as of May , 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the other Borrowers, (iii) the Guarantors from time to time party thereto (individually, a "Guarantor" and, collectively, the "Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) WELLS FARGO RETAIL FINANCE, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender. Capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement.

The undersigned, in his capacity as a duly authorized and acting Responsible Officer of the Lead Borrower, hereby certifies on behalf of the Lead Borrower and each of the other Loan Parties as of the date hereof the following:

1. No Defaults or Events of Default.

- a. Since (the date of the last similar certification), and except as set forth in Appendix I, no Default or Event of Default has occurred.
- b. If a Default or Event of Default has occurred since (the date of the last similar certification), the Loan Parties have taken or propose to take those actions with respect to such Default or Event of Default as described on said Appendix I.

2. Rent, Taxes and Insurance.

- a. Except as set forth on Appendix II, (i) all rent owing under any Leases, and all obligations and liabilities in respect of Taxes, are current and being paid on a timely basis, and (ii) no Loan Party has received notice that any material obligations or liabilities in respect of utilities have not been timely paid or has received notice that any obligations or liabilities in respect of insurance premiums

that have not been timely paid. Appendix II describes the details of all past due payments (if any) and the steps (if any) being taken or contemplated by the Loan Parties to be taken on account thereof. Copies of any related default, cure or late notices concerning any obligations have been enclosed herewith.

b. Appendix II describes the details of any new Store openings, or closings of any Store, since the date of the last similar certification.

3. **Intellectual Property.** Since (the date of the last similar certification), and except as set forth in Appendix III, no Loan Party has acquired any additional material Intellectual Property.

4. **Financial Statements.**

[Use following paragraph (a) for fiscal year-end deliveries pursuant to Section 6.01(a) of the Credit Agreement]

a. Attached hereto as Appendix IV are the Consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of Fiscal Year , required by Section 6.01(a) of the Credit Agreement, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, together with a report and unqualified opinion of a Registered Public Accounting Firm reasonably acceptable to the Administrative Agent, prepared in accordance with generally accepted auditing standards and not subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit. The below Responsible Officer of the Lead Borrower hereby certifies that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

[Use following paragraph (b) for fiscal quarter-end deliveries pursuant to Section 6.01(b) of the Credit Agreement]

b. Attached hereto as Appendix IV is the Consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of Fiscal Quarter , and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Quarter and for the portion of the Parent's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) Credit Agreement, (B) the corresponding Fiscal Quarter of the previous Fiscal Year and (C) the corresponding portion of

the previous Fiscal Year, all in reasonable detail, such Consolidated statements certified by the below Responsible Officer of the Lead Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Parent and its Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes. The below Responsible Officer of the Lead Borrower further certifies that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

[Use following paragraph (c) for month-end deliveries pursuant to 6.01(c) of the Credit Agreement]

- c. Attached hereto as Appendix IV is the consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of Fiscal Month _____, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Month, and for the portion of the Parent's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) of the Credit Agreement, (B) the corresponding Fiscal Month of the previous Fiscal Year and (C) the corresponding portion of the previous fiscal year, all in reasonable detail. The below Responsible Officer of the Lead Borrower hereby certifies such statements as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Parent and its Subsidiaries as of the end of such Fiscal Month in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes, and it is further certified by the below Responsible Officer of the Lead Borrower that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;
- d. No Material Accounting Changes, Etc.
The financial statements furnished to the Administrative Agent for the [Fiscal Year/Fiscal Quarter/Fiscal Month] ending _____ were prepared in accordance with GAAP and present fairly in all material respects the financial condition, results of operations and cash flows of the Parent and its Subsidiaries, as of the end of the period(s) covered, subject only to, with respect to the quarterly financial statements, normal year-end audit adjustments and the absence of footnotes.
- e. Except as set forth in Appendix V, there has been no change in GAAP used in the preparation of the financial statements furnished to the Administrative Agent for

the [Fiscal Year/Fiscal Quarter/Fiscal Month] ending . If any such change has occurred, a statement of reconciliation conforming such financial statements to GAAP is attached hereto in Appendix V.

[Omit the following Section 5 for month end deliveries pursuant to 6.01(c) of the Credit Agreement]

5. **Management Analysis**. Attached hereto as Appendix VI is a copy of the discussion and analysis prepared by the management of the Lead Borrower with respect to the financial statements delivered herewith.

IN WITNESS WHEREOF, a duly authorized and acting Responsible Officer of the Lead Borrower, on behalf of the Lead Borrower and each of the other Loan Parties, has duly executed this Compliance Certificate as of _____, 20__.

Lead Borrower:

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation

By: _____

Name: Kevan Talbot

Title: Chief Financial Officer

APPENDIX I

Except as set forth below, no Default or Event of Default has occurred. [If a Default or Event of Default has occurred, the following describes the nature of the Default or Event of Default in reasonable detail and the steps, if any, being taken or contemplated by the Loan Parties to be taken on account thereof.]

APPENDIX II

Except as set forth below, (i) all rent owing under any Leases, and all obligations and liabilities in respect of Taxes, are current and being paid on a timely basis and (ii) no Loan Party has received notice that any material obligations or liabilities in respect of utilities have not been timely paid or has received notice that any obligations or liabilities in respect of insurance premiums that have not been timely paid. [If any obligations and liabilities of the Loan Parties in respect of rent, utilities, Taxes and/or insurance premiums are not current, the following describes the details of all past due payments (if any) and the steps (if any) being taken or contemplated by the Loan Parties to be taken on account thereof.]

Details of any new Store openings, or closings of any Store.

APPENDIX III

[Intellectual Property]

APPENDIX IV
[Financial Statements]

APPENDIX V

[GAAP Changes]

APPENDIX VI

[Management Analysis]

EXHIBIT E

Form of Assignment and Assumption

ASSIGNMENT AND ASSUMPTION

Reference is made to the Credit Agreement, dated as of _____, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto (individually, a "Guarantor" and, collectively, the "Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) WELLS FARGO RETAIL FINANCE, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

(the "Assignor") and

(the "Assignee") agree as follows:

6. **The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to the Assignor's rights and obligations as a Lender under the Credit Agreement as of the date hereof (including, without limitation, such interest in each of the Assignor's outstanding Commitments, if any, and the Loans (and related Obligations) owing to it) specified in Section 1 of Schedule I hereto. After giving effect to such sale and assignment, the Assignor's and the Assignee's Commitments and the amount of the Loans owing to the Assignor and the Assignee and the amount of Letters of Credit participated in by the Assignor and the Assignee will be as set forth in Section 2 of Schedule I hereto.**
7. **The Assignor: (a) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any Liens and that it is legally authorized to enter into this Assignment and Assumption; (b) makes no representation or warranty and assumes no responsibility with respect to (i) any statements, warranties or representations made in, or in connection with, the Credit Agreement or any other Loan Document or any other instrument or document furnished pursuant thereto, or (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other Loan Document or any other instrument or document furnished pursuant thereto; (c) makes no representation or warranty and assumes no responsibility with respect to the financial condition of any Loan Party or the performance or observance by any Loan Party of any of their respective obligations under the Credit Agreement or any other Loan Document or any other instrument**

or document furnished pursuant thereto; and (d) confirms, in the case of an Assignee who is not a Lender, an Affiliate of a Lender, or an Approved Fund, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the Assignor subject to this Assignment and Assumption, is not less than \$10,000,000.00, or, if less, the entire remaining amount of the Assignor's Commitment and the Loans at any time owing to it, unless each of the Administrative Agent and, so long as no Event of Default has occurred and is continuing, the Lead Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

8. The Assignee: (a) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 6.01 thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption; (b) agrees that it will, independently and without reliance upon any Agent, the Assignor 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 decisions in taking or not taking action under the Credit Agreement; (c) appoints and authorizes the Agents to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Agents by the terms thereof, together with such powers as are reasonably incidental thereto; (d) agrees that it will perform in accordance with their terms all of the obligations which, by the terms of the Credit Agreement, are required to be performed by it as a Lender; (e) specifies as its lending office (and address for notices) the office set forth beneath its name on the signature pages hereof; (f) agrees that, if the Assignee is a Foreign Lender entitled to an exemption from, or reduction of, withholding tax under the law of the jurisdiction in which any Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, the Assignee shall deliver to the Lead Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) whichever of the following is applicable: (i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party, (ii) duly completed copies of Internal Revenue Service Form W-8ECI, (iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (A) a certificate to the effect that such Foreign Lender is not (1) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (2) a "10 percent shareholder" of the Borrowers within the meaning of section 881(c)(3)(B) of the Code, or (3) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code and (B) duly completed copies of Internal Revenue Service Form W-8BEN, or (iv) any other form prescribed by applicable Law as a basis for claiming exemption from, or a reduction in, United States Federal withholding tax, duly completed, together with such supplementary documentation as may be prescribed by applicable Law to permit the Lead Borrower to determine the withholding or

deduction required to be made; and (g) represents and warrants that it is an Eligible Assignee.

9. Following the execution of this Assignment and Assumption by the Assignor and the Assignee, it will be delivered, together with a processing and recordation fee in the amount, if any, required as set forth in Section 10.06 to the Credit Agreement, to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date of this Assignment and Assumption shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on Schedule I hereto (the “Effective Date”).
10. Upon such acceptance and recording by the Administrative Agent and, to the extent required by Section 10.06(b)(iii) of the Credit Agreement, consent by the Administrative Agent, the Lead Borrower, the L/C Issuer and/or the Swing Line Lender, as applicable (such consent not to be unreasonably withheld or delayed), from and after the Effective Date, (a) the Assignee shall be a party to the Credit Agreement and, to the extent of the interest assigned by this Assignment and Assumption, shall have the rights and obligations of a Lender under the Credit Agreement, and (b) the Assignor shall, to the extent of the interest assigned by this Assignment and Assumption, be released from its obligations under the Credit Agreement.
11. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.
12. This Assignment and Assumption shall be governed by, and be construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGE FOLLOWS]

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

[ASSIGNOR]

By: _____
Name: _____
Title: _____

[ASSIGNEE]

By: _____
Name: _____
Title: _____

Lending Office (and address for notices):

[Address]

Accepted this day
of , :

WELLS FARGO RETAIL FINANCE, LLC
as Administrative Agent

By: _____
Name: _____
Title: _____

Acknowledged and, to the extent required by Section 10.06(b)(i)(B) or Section 10.06(b)(iii) of the Credit Agreement, consented to, this day of ,
:

ADMINISTRATIVE AGENT:

WELLS FARGO RETAIL FINANCE, LLC

By: _____
Name:
Title:

Acknowledged and, to the extent required by Section 10.06(b)(i)(B) or Section 10.06(b)(iii) of the Credit Agreement, consented to, this _____ day of _____, _____
:

LEAD BORROWER:

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

Acknowledged and, to the extent required by Section 10.06(b)(iii) of the Credit Agreement, consented to, this day of , :

L/C ISSUER:

WELLS FARGO BANK, N.A.

By: _____
Name:
Title:

Acknowledged and, to the extent required by Section 10.06(b)(iii) of the Credit Agreement, consented to, this day of , :

SWING LINE LENDER:

WELLS FARGO RETAIL FINANCE, LLC

By: _____
Name:
Title:

Schedule I

to

Assignment and Assumption

Section 1. Percentage/Amount of Commitments/Loans/Letters of Credit Assigned by Assignor to Assignee.

Applicable Percentage assigned by Assignor:	%
Commitment assigned by Assignor:	\$
Aggregate Outstanding Principal Amount of Loans assigned by Assignor:	\$
Aggregate Participations assigned by Assignor in L/C Obligations:	\$

Section 2. Percentage/Amount of Commitments/Loans/Letters of Credit Held by Assignor and Assignee after giving effect to Assignment and Assumption.

Assignor's Applicable Percentage	%
Assignee's Applicable Percentage:	%
Assignor's Commitment:	\$
Assignee's Commitment:	\$
Aggregate Outstanding Principal Amount of Loans Owning to Assignor:	\$
Aggregate Outstanding Principal Amount of Loans Owning to Assignee:	\$
Aggregate Participations by Assignor in L/C Obligations:	\$
Aggregate Participations by Assignee in L/C Obligations:	\$

Section 3.

Effective Date:

EXHIBIT F

Form of Joinder Agreement

JOINDER AGREEMENT

This JOINDER AGREEMENT (this "Joinder") is made as of [], by and among:

[], a
[] (the "New
Borrower/Guarantor"), with its principal executive offices at
[]; and

WELLS FARGO RETAIL FINANCE, LLC, as Administrative Agent and Collateral Agent;

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

A. Reference is made to a certain Credit Agreement, dated as of May , 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto, (ii) the Borrowers (individually, an "Existing Borrower" and, collectively with the Lead Borrower, the "Existing Borrowers"), (iii) the Guarantors from time to time party thereto (individually, an "Existing Guarantor" and collectively, the "Existing Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) Wells Fargo Retail Finance, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender. All capitalized terms used herein, and not otherwise defined herein, shall have the meanings assigned to such terms in the Credit Agreement.

B. The New [Borrower/Guarantor] desires to become a party to, and be bound by the terms of, the Credit Agreement and the other Loan Documents in the same capacity and to the same extent as the Existing [Borrowers/Guarantors] thereunder.

C. Pursuant to the terms of the Credit Agreement, in order for the New [Borrower/Guarantor] to become party to the Credit Agreement and the other Loan Documents as provided herein, the New [Borrower/Guarantor] and the Existing Borrowers and Existing Guarantors are required to execute this Joinder.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

13. Joinder and Assumption of Obligations. Effective as of the date of this Joinder, the New [Borrower/Guarantor] hereby acknowledges that the New

[Borrower/Guarantor] has received and reviewed a copy of the Credit Agreement and the other Loan Documents, and hereby:

- a. joins in the execution of, and becomes a party to, the Credit Agreement and the other Loan Documents as a [Borrower/Guarantor] thereunder, as indicated with its signature below;
- b. covenants and agrees to be bound by all covenants, agreements, liabilities and acknowledgments of a [Borrower/Guarantor] under the Credit Agreement and the other Loan Documents as of the date hereof (other than covenants, agreements, liabilities and acknowledgments that relate solely to an earlier date), in each case, with the same force and effect as if such New [Borrower/Guarantor] was a signatory to the Credit Agreement and the other Loan Documents and was expressly named as a [Borrower/Guarantor] therein;
- c. makes all representations, warranties, and other statements of a [Borrower/Guarantor] under the Credit Agreement and the other Loan Documents, as of the date hereof (other than representations, warranties and other statements that relate solely to an earlier date), in each case, with the same force and effect as if such New [Borrower/Guarantor] was a signatory to the Credit Agreement and the other Loan Documents and was expressly named as a [Borrower/Guarantor] therein;
- d. assumes and agrees to perform all applicable duties and Obligations of the Existing [Borrowers/Guarantors] under the Credit Agreement and the other Loan Documents.

14. Supplemental Schedules. To the extent that any changes in any representations, warranties, and covenants require any amendments to the schedules to the Credit Agreement or any of the other Loan Documents, such schedules are hereby updated, as evidenced by any supplemental schedules (if any) annexed to this Joinder.

15. Ratification of Loan Documents. Except as specifically amended by this Joinder and the other documents executed and delivered in connection herewith, all of the terms and conditions of the Credit Agreement and of the other Loan Documents shall remain in full force and effect as in effect prior to the date hereof, without releasing any Loan Party thereunder or Collateral therefor.

16. Conditions Precedent to Effectiveness. This Joinder shall not be effective until each of the following conditions precedent have been fulfilled to the reasonable satisfaction of the Administrative Agent:

- a. This Joinder shall have been duly executed and delivered by the respective parties hereto, and shall be in full force and effect.

- e. The Collateral Agent shall have received all documents and instruments, including UCC financing statements and Blocked Account Agreements, required by Law or reasonably requested by the Administrative Agent or the Collateral Agent to create or perfect the Lien intended to be created under the Security Documents and all such documents and instruments shall have been so filed, registered or recorded to the satisfaction of the Administrative Agent.
- f. All reasonable fees and Credit Party Expenses incurred by the Agents and the other Credit Parties in connection with the preparation and negotiation of this Joinder and related documents (including the reasonable fees and expenses of counsel to the Agents) shall have been paid in full by the New [Borrower/Guarantor].
- g. The Loan Parties shall have executed and delivered to the Agents such additional documents, instruments, and agreements as the Administrative Agent or the Collateral Agent may reasonably request.

17. Miscellaneous.

- a. This Joinder may be executed in several counterparts and by each party on a separate counterpart, each of which when so executed and delivered shall be an original, and all of which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Joinder by telecopy shall be as effective as delivery of a manually executed counterpart of this Joinder.
- b. This Joinder expresses the entire understanding of the parties with respect to the transactions contemplated hereby. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.
- c. Any determination that any provision of this Joinder or any application hereof is invalid, illegal or unenforceable in any respect and in any instance shall not affect the validity, legality, or enforceability of such provision in any other instance, or the validity, legality or enforceability of any other provisions of this Joinder.
- d. To the extent not paid by the New [Borrower/Guarantor] pursuant to Section 4(f) above, the Existing Borrowers and Existing Guarantors shall, within ten (10) Business Days after demand therefor, pay all reasonable fees and other Credit Party Expenses of the Agents and the other Credit Parties, including, without limitation, all reasonable attorneys' fees, in connection with the preparation, negotiation, execution and delivery of this Joinder and the other documents, instruments and agreements required pursuant to Section 4 of this Joinder.
- e. The New [Borrower/Guarantor] warrants and represents that the New [Borrower/Guarantor] is not relying on any representations or warranties of the

Administrative Agent, the Collateral Agent or the other Credit Parties or their counsel in entering into this Joinder.

- f. THIS JOINDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each of the undersigned has caused this Joinder to be duly executed and delivered by its proper and duly authorized officer as of the date set forth below.

New [Borrower/Guarantor]:

[_____]

By: _____
Name: _____
Title: _____

Administrative Agent:

WELLS FARGO RETAIL FINANCE, LLC

By: _____
Name: _____
Title: _____

Collateral Agent:

WELLS FARGO RETAIL FINANCE, LLC

By: _____
Name: _____
Title: _____

Acknowledged and Agreed:

Existing Borrowers:

SPORTSMAN’S WAREHOUSE, INC.,
a Utah corporation

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN’S WAREHOUSE SOUTHWEST, INC., a
California corporation

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.,
a Minnesota corporation

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC,
a Delaware limited liability company

by Sportsman’s Warehouse, Inc., its sole member

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

Existing Guarantor:

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,
a Utah corporation

By: _____

Name: Kevan Talbot

Title: Chief Financial Officer

Exhibit G

Borrowing Base Certificate

[See attached]

Sportsman's Warehouse, Inc.		As of Date:	5/22/2010
Borrowing Base Certificate		Certificate#	1
Credit Card Receivables			
Credit Card Receivables as of:		5/22/2010	\$ —
Less: Outstanding Credit Card Fees			—
Eligible Credit Card Receivables			\$ —
Advance Rate			85.0%
Total Credit Card Receivables Availability			\$ —
Trade Receivables			
Trade Receivables as of:		5/22/2010	\$ —
Less: Ineligibles			—
Eligible Trade Receivables			\$ —
Advance Rate			85.0%
Total Trade Receivables Availability			\$ —
RETAIL INVENTORY			
		At Retail	At Cost
Beginning Inventory		\$ —	\$ —
Add: Purchases		—	—
DC to Stores Inventory not in either system		—	\$ —
Net Markups		—	—
Freight		—	—
Inventory Adjustments		—	—
Available for Sale		—	—
Less: Sales/Cost of Good Sold		—	—
Net Markdowns		—	—
Ending Inventory as of:	5/22/2010	\$ —	\$ —
Less Ineligibles:			
Shrink Reserve (.85% of Ending Inventory)			—
Duck Stamps (Dept #23)			—
Retail Below Cost			—
Store Supplies (Dept #60)			—
Shop Parts, Headquarter Inv, Licenses (Dept #6, 101 & 21)			—
Internet Inventory			—
Total Ineligibles			\$ —
Eligible Retail Inventory			\$ —
Advance Rate (85% of NOLV capped at 75% of Cost)	85.0%	NOLV 74.8%	63.6%
Total Retail Inventory Availability			\$ —
WHOLESALE INVENTORY			
		At Retail	At Cost
Beginning Inventory		\$ —	\$ —
Add: Purchases		—	—
Stores to DC Inventory not in either system		—	\$ —
Net Markups		—	—
Freight		—	—
Inventory Adjustments		—	—
Available for Sale		—	—
Less: Sales/Cost of Good Sold		—	—
Net Markdowns		—	—
Ending Inventory as of:	5/22/2010	\$ —	\$ —
Less Ineligibles			
Shrink			—
Store Supplies			—
Other Items			—
Total Ineligibles			\$ —
Eligible Wholesale Inventory			\$ —
Advance Rate (85% of NOLV capped at 75% of Cost)	85.0%	NOLV 74.8%	63.6%
Total Wholesale Inventory Availability			\$ —
Total Inventory Availability			\$ —
REAL ESTATE			
Loveland Property Fair Market Value			\$ —
Advance Rate			50.0%
Total Real Estate Availability			\$ —
Gross Borrowing Base Availability			\$ —
Less: Availability Reserves	as of:	5/22/2010	
Gift Certificates/Cards (50%)	as of:	5/22/2010	\$ —
Customer Deposits/Layaway (100%)			—
Rent Reserve (2 Mos PA, WA, VA, TX)			—
Past Due Licenses AP			—
Other			—

Total Availability Reserves		\$	—
Total Borrowing Base		\$	—
Total Capped Borrowing Base (Capped at \$75,000,000)		\$	—
AVAILABILITY CALCULATION		\$	—
Beginning Principal Balance	as of:	5/22/2010	—
ADD:	Prior days advance		—
ADD:	Fees charged today		—
ADD:	Legal Fees		—
ADD:	Prior day's requested lending		—
LESS:	Prior day's pay down		—
Ending principal balance prior to advance request			—
ADVANCE REQUEST		\$	—
Ending Principal Balance			—
ADD:	Standby Letters of Credit		—
ADD:	Commercial Letters of Credit		—
Total exposure		\$	—
Net Availability After Today's Request / Pay Down		\$	—
Excess Availability (Net Borrowing Base less total exposure)			—
Minimum Excess Availability Covenant - 10 % of Borrowing Base		\$	—
Minimum Availability Covenant			(4,000,000)

The Undersigned, a responsible Officer (as defined in the Credit Agreement referred to below of Sportsman's Warehouse, Inc. (the "Lead Borrower"), represents and warrants that (A) the information set forth above and the supporting documentation and information delivered herewith (i) is true and correct in all respects, (ii) has been prepared in accordance with the requirements of that certain Credit Agreement dated _____, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by, among others, (1) the Lead Borrower, as agent for itself and the other Borrowers party thereto, (2) the Lenders party thereto, and (3) Wells Fargo Retail Finance, LLC, as Administrative Agent and Collateral Agent (in such capacities, the "Agent"), and (iii) is based on supporting documentation that is satisfactory to the Agent, and (B) no Default or Event of Default (as such terms are defined in the Credit Agreement) has occurred and is continuing.

Responsible Officer

EXHIBIT H

Form of DDA Notification

PREPARE ON OBLIGOR LETTERHEAD - ONE FOR EACH DEPOSITORY

, 2010

To: [Name and Address of Bank]

Re: []

The Account Numbers referenced on Exhibit A annexed hereto

Dear Sir/Madam:

This letter relates to the Account Numbers referenced on Exhibit A annexed hereto and any other depository account(s) (collectively the "Account") which [], a [] with offices at [] (the "Obligor"), now or hereafter maintains with you. The term "Account" shall also mean any certificates of deposit, investments, or other evidence of indebtedness heretofore or hereafter issued by you to or for the account of the Obligor.

Under various agreements by and between, among others, the Obligor and Wells Fargo Retail Finance, LLC, a Delaware limited liability company having an office at One Boston Place, 19th Floor, Boston, Massachusetts 02108, as collateral agent (in such capacity, herein the "Collateral Agent") for its own benefit and the benefit of a syndicate of lenders and certain other credit parties (the "Credit Parties"), the Obligor has granted to the Collateral Agent (for its own benefit and the benefit of the Credit Parties) security interests in and to, among other things, the Obligor's accounts, accounts receivable, inventory, and proceeds therefrom, including, without limitation, the proceeds now or hereafter deposited in the Account or evidenced thereby. Consequently, the present and all future contents of the Account constitute the Collateral Agent's collateral.

Until you receive written notification from the Collateral Agent that the interest of the Collateral Agent and the other Credit Parties in the Accounts has been terminated, all funds from time to time on deposit in each of the Accounts, net of such minimum balance not to exceed \$2,500.00, shall be transferred no less frequently than daily only as follows:

(a) By standing wire transfer to:

Bank Name: Wells Fargo Bank, NA

Bank Address: 420 Montgomery Street
San Francisco, CA 94104
ABA No.: 121-000-248
Account No.: 4945088607
Credit to: Wells Fargo Retail Finance, LLC
Re: Sportman's Warehouse, Inc.

or

(b) As you may be otherwise instructed from time to time in writing by an officer of the Collateral Agent.

Upon request of the Collateral Agent, a copy of each statement issued with respect to the Account should be provided to the Collateral Agent at the following addresses (which address may be changed upon seven (7) days' written notice given to you by the Collateral Agent):

Wells Fargo Retail Finance, LLC
One Boston Place, 19th Floor
Boston, Massachusetts 02108
Attention: Cory Loftus
Re: Sportsman's Warehouse, Inc.

with a copy to:

Wells Fargo Retail Finance, LLC
2450 Colorado Avenue, Suite 3000 West
Santa Monica, California 90404
Attention: Treasury Department
Phone: (310) 453-7300
Re: Sportsman's Warehouse, Inc.

You shall be fully protected in acting on any order or direction by the Collateral Agent respecting the Accounts without making any inquiry whatsoever as to the Collateral Agent's right or authority to give such order or direction or as to the application of any payment made pursuant thereto. Nothing contained herein is intended to, nor shall it be deemed to, modify the rights and obligations of the Obligor and the Collateral Agent under the terms of the loan arrangement and the loan documents executed in connection therewith between, among others, the Obligor and the Collateral Agent.

This letter may be amended only by notice in writing signed by the Obligor and an officer of the Collateral Agent and may be terminated solely by written notice signed by an officer of the Collateral Agent.

[Signature page follows]

Very truly yours,

[_____], as Obligor

By: _____

Name:

Title:

cc: Wells Fargo Retail Finance, LLC

[Signature Page to DDA Notification]

Exhibit A

Accounts

[Exhibit A to DDA Notification]

EXHIBIT I

Form of Credit Card Notification

PREPARE ON BORROWER/LOAN PARTY LETTERHEAD - ONE FOR EACH PROCESSOR

, 2010

To: [Name and Address of Credit Card Processor]
(the "Processor")

Re: []
Security Agreement - Assignment of Credit Card Receivables

Dear Sir/Madam:

[], a [] (the "Company"), among others, have recently entered into a new credit facility with WELLS FARGO RETAIL FINANCE, LLC, as agent for certain lenders (the "Secured Party"). In accordance with the terms of that credit facility, the Company and its Subsidiaries granted to Secured Party a security interest in substantially all of the Company's and its Subsidiaries' now owned or hereafter acquired personal property, including, without limitation, all rights of the Company to receive payments in respect of credit or charge card sales ("Card Sales") processed or otherwise paid by [**Name of Credit Card Processor**] (the "Processor") to the Company pursuant to that certain [**Title of Credit Card Processing Agreement**] between the Processor and the Company in effect as of the date hereof (the "Agreement").

Pursuant to the facility and in connection with the security interest granted to the Secured Party in the Company's rights to receive payments in respect of the Card Sales, the Company has agreed that Secured Party shall have the right to directly collect all amounts due to the Company from the Processor. In furtherance thereof, the Company is obligated to arrange for the proceeds of Card Sales to be routed by the Processor to a deposit account under the control of the Secured Party, regardless of the account routing instructions that are presently in place. Accordingly, by this letter the Company and the Secured Party instruct the Processor to route, no less frequently than daily, all proceeds of Card Sales and any other amounts due to the Company from the Processor to the following deposit account (the "Account"):

[Name of Bank]
ABA #
Account No.
For Credit to the Account of:

All payments under the Agreement should continue to be made to the Account and to no other account unless and until you receive written notification from Secured Party.

The Company acknowledges and agrees that, except as expressly set forth herein, all of the terms of the Agreement continue to be in full force and effect.

The Company will indemnify and hold harmless Processor from any and all liabilities, claims, demands, actions or judgments, including but not limited to attorneys' fees, arising out of or resulting from the acts or omissions of the Processor, its employees, officers or agents in complying with the terms of this letter agreement.

The Company and the Secured Party appreciate the Processor's anticipated cooperation and assistance in effectuating this change. Should you have any questions concerning this matter, please do not hesitate to contact the Company or the Secured Party at:

[_____]

Attention:

Phone: () -

Wells Fargo Retail Finance, LLC

One Boston Place, 18th Floor

Boston, Massachusetts 02108

Attention: Treasury Department

Phone: (617) 624-4400

Very truly yours,

WELLS FARGO RETAIL FINANCE, LLC
("Secured Party")

By: _____

Name:

Title:

[_____]

("Company")

By: _____

Name:

Title:

FIRST AMENDMENT TO CREDIT AGREEMENT

This First Amendment to Credit Agreement (this "Amendment") is made as of October 27, 2011, by and among:

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (the "Lead Borrower");

the Persons named on Schedule I hereto (together with the Lead Borrower, individually, a "Borrower", and collectively, the "Borrowers");

the Persons named on Schedule II hereto (individually, a "Guarantor", and collectively, the "Guarantors", and together with the Borrowers, individually, a "Loan Party", and collectively, the "Loan Parties");

the LENDERS party hereto; and

WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent, and Swing Line Lender;

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to that certain Credit Agreement, dated as of May 28, 2010 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), by and among the Loan Parties, the Lenders party thereto from time to time, and Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender;

WHEREAS, the parties hereto have agreed to amend certain provisions of the Credit Agreement as set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Capitalized terms used in this Amendment shall have the respective meanings assigned to such terms in Credit Agreement unless otherwise defined herein.
2. Amendments to Article I of Credit Agreement. The provisions of Article I of the Credit Agreement are hereby amended as follows:
 - (a) By amending the definition of "Acquisition" by adding the following new sentence at the end thereof:

Notwithstanding the foregoing, in no event will any Plan Redemption Payment be construed to be an Acquisition for purposes of this Agreement.

- (b) By amending the definition of “Additional Payment Conditions” in its entirety and substituting the following new definition in its stead:

“Additional Payment Conditions” means satisfaction of the following, with respect to any Acquisition: (i) No Event of Default has occurred and is continuing or would result after giving effect to the consummation of such Acquisition, and (ii) (a) at all times during the 90 day period immediately preceding the consummation of such Acquisition and (b) immediately after giving effect to the consummation of such Acquisition, Availability shall not be less than 30% of the Loan Cap and (iii) the Administrative Agent shall have received projections reasonably satisfactory to the Administrative Agent as determined on a pro forma basis, for the 180 day period immediately following the consummation of such Acquisition (after giving pro-forma effect thereto), that reflect the Borrowers collectively shall have Availability of at least 30% of the Loan Cap; it being understood and agreed that it shall not constitute a breach of this requirement if Availability subsequently is less than 30% of the Loan Cap so long as the projection thereof is based on the good faith estimate of the Borrowers at the time of such payment.

- (c) By amending the definition of “Applicable Margin” by deleting the pricing grid in its entirety and substituting the following in its stead:

<u>Level</u>	<u>Average Daily Availability</u>	<u>LIBOR Margin</u>	<u>Base Rate Margin</u>
I	Greater than or equal to 50% of the Loan Cap	1.75%	0.75%
II	Greater than or equal to 25% of the Loan Cap but less than 50% of the Loan Cap	2.00%	1.00%
III	Less than 25% of the Loan Cap	2.25%	1.25%

- (d) By deleting the definition of “Appraisal Percentage” in its entirety and substituting the following new definition in its stead:

“Appraisal Percentage” means 90%.

- (e) By amending the definition of “Availability Reserves” by deleting the phrase “and” at the end of clause (x) thereof, re-numbering clause (xi) as clause (xii), and inserting the following new clause (xi) in its stead:

(xi) the Debt Maturity Reserve; and

(f) By amending the definition of “Change in Law” by adding the following proviso at the end thereof:

provided however, for purposes of this Agreement, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, guidelines or directives in connection therewith and (ii) all rules, guidelines 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 Canadian regulatory authorities, in each case pursuant to Basel III, are deemed to have gone into effect and been adopted after the Closing Date.

(g) By amending the definition of “Indebtedness” by adding the following new sentence at the end thereof:

Notwithstanding the foregoing, in no event will any Plan Redemption Payment be construed to be Indebtedness for purposes of this Agreement.

(h) By deleting the definition of “Maturity Date” in its entirety and substituting the following new definition in its stead:

“Maturity Date” means October 27, 2016.

(i) By amending the definition of “Permitted Acquisition” by deleting clause (h) thereof in its entirety and substituting the following new clause (h) in its stead:

(h) [Reserved.]

(j) By amending the definition of “Permitted Investment” by deleting the phrase “and” at the end of clause (p) thereof, re-lettering clause (q) as clause (r), and inserting the following new clause (r) in its stead:

(r) Plan Redemption Payments; and

(k) By adding the following new definitions in appropriate alphabetical order:

“Debt Maturity Reserve” means an Availability Reserve in an amount not to exceed the outstanding Indebtedness in respect of the Trade Credit, the Sponsor Note and the Cash Flow Payments, such Debt Maturity Reserve to be established no earlier than ninety (90) days prior to the due date of such Indebtedness; provided that such Debt Maturity Reserve shall be reduced on a dollar-for-dollar basis immediately prior to when such Indebtedness is paid, redeemed, repaid, refinanced or extended as provided. For the avoidance of doubt, with respect to any Borrowing the proceeds of which shall be used to pay any Indebtedness described in the immediately preceding sentence, the Debt Maturity Reserve shall

be deemed reduced on a dollar-for-dollar basis in an amount equal to such Indebtedness to be paid for purposes of determining Availability hereunder.

“Employee Stock Plan” means that certain Sportsman’s Warehouse Holdings, Inc. 2010 Equity Incentive Plan annexed hereto as Exhibit J (as in effect on the First Amendment Effective Date and as subsequently amended in accordance with the terms hereof), pursuant to which certain Eligible Persons (as defined therein) may purchase restricted Equity Interests in the Parent.

“First Amendment Effective Date” means October 27, 2011.

“Payment Conditions” means satisfaction of the following, with respect to any payment of Indebtedness: (i) No Event of Default has occurred and is continuing or would result after giving effect to the making of such payment of Indebtedness, and (ii) (a) at all times during the 90 day period immediately preceding the making of such payment of Indebtedness and (b) immediately after giving effect to the making of such payment of Indebtedness, Availability shall not be less than 25% of the Loan Cap and (iii) the Administrative Agent shall have received projections reasonably satisfactory to the Administrative Agent as determined on a pro forma basis, for the 180 day period immediately following the making of such payment of Indebtedness (after giving pro-forma effect thereto), that reflect the Borrowers collectively shall have Availability of at least 25% of the Loan Cap; it being understood and agreed that it shall not constitute a breach of this requirement if Availability subsequently is less than 25% of the Loan Cap so long as the projection thereof is based on the good faith estimate of the Borrowers at the time of such payment.

“Plan Redemption Payments” means payments to Eligible Persons (as defined in the Employee Stock Plan) for the redemption of restricted Equity Interests issued to such employees pursuant to the Employee Stock Plan, which redemption is required pursuant to the terms of the Employee Stock Plan.

(l) By deleting the definitions of “Scheduled Payment Conditions” and “Sponsor Note Payment Conditions” in their entirety.

3. Amendments to Article II of Credit Agreement. The provisions of Section 2.09(b) of the Credit Agreement are hereby amended by deleting the first sentence thereof in its entirety and substituting the following new sentence in its stead:

In the event that the Termination Date occurs, for any reason, prior to the Maturity Date, or in the event that the Borrowers reduce (but do not terminate) the Aggregate Commitments prior to the Maturity Date, the Borrowers shall pay to the Administrative Agent, for the ratable benefit of the Lenders, a fee (the “Early Termination Fee”) in respect of amounts which are or become payable by reason thereof equal to (i) if the Termination Date or reduction occurs on or prior to April 27, 2012, one percent (1.0%) of the Commitments then in effect (without

regard to any termination thereof) or of the amount of any reduction in the Aggregate Commitments, and (ii) if the Termination Date or reduction occurs during the period commencing on April 28, 2012 and ending on October 27, 2012, one-half percent (0.5%) of the Commitments then in effect (without regard to any termination thereof) or of the amount of any reduction in the Aggregate Commitment; provided that no Early Termination Fee shall be payable in the event that the Termination Date occurs and the Obligations are indefeasibly paid in full in cash contemporaneously with the occurrence of an event constituting a Change of Control of the type described in clause (a) of the definition of such term.

4. Amendments to Article VI of Credit Agreement. The provisions of Article VI of the Credit Agreement are hereby amended by deleting Section 6.11 thereof in its entirety and substituting the following new Section 6.11 in its stead:

6.11 Use of Proceeds. Use the proceeds of the Credit Extensions (a) to finance the acquisition of working capital assets of the Borrowers, including the purchase of inventory and equipment, in each case in the ordinary course of business, (b) to finance Capital Expenditures of the Borrowers, (c) for general corporate purposes of the Loan Parties, (d) to pay in full any obligations outstanding under the Existing Credit Agreement, (e) to pay in full any obligations outstanding in respect of the Sponsor Note, the Trade Credit, the Cash Flow Payments and other Subordinated Debt, in each case described in this Section 6.11 to the extent expressly permitted under applicable Law and the Loan Documents.

5. Amendments to Article VII of Credit Agreement. The provisions of Article VII of the Credit Agreement are hereby amended as follows:

- (a) By deleting Section 7.07 thereof in its entirety and substituting the following new Section 7.07 in its stead:

7.07 Prepayments of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Indebtedness, or make any payment in violation of any subordination terms of any Subordinated Debt, except (a) as long as no Event of Default then exists, regularly scheduled or mandatory repayments, repurchases, redemptions or defeasances of Permitted Indebtedness (other than Subordinated Debt), (b) certain intercompany loans and advances between Borrowers and Guarantor to the extent mutually agreed by the Lead Borrower and the Administrative Agent, including without limitation advances made to the Guarantor for payment of Taxes, (c) voluntary prepayments, repurchases, redemptions or defeasances of Permitted Indebtedness (but excluding on account of any Subordinated Debt), (d) payments with respect to the Trade Credit, (e) the reimbursement of expenses of SEP SWH Holdings, L.P. and its Affiliates pursuant to the Management Reimbursement Agreement, (f) so long as the Payment Conditions shall have been satisfied, payments and

prepayments of interest and principal with respect to Subordinated Debt, and (g) refinancings and refundings of such Indebtedness in compliance with Section 7.03.

(b) By deleting Section 7.12 thereof in its entirety and substituting the following new Section 7.12 in its stead:

7.12 Amendment of Material Documents. Amend, modify or waive (i) any of a Loan Party's rights under (a) its Organization Documents in a manner materially adverse to the Credit Parties, or (b) any Material Contract or Material Indebtedness (other than on account of any refinancing thereof otherwise permitted hereunder), in each case to the extent that such amendment, modification or waiver would be reasonably likely to have a Material Adverse Effect, or (ii) any provision of the Employee Stock Plan without the written consent of the Agent, provided that the foregoing shall not be deemed to restrict the ability of the Board (as defined in the Employee Stock Plan) to determine additional Eligible Persons (as defined in the Employee Stock Plan) in accordance with the terms of the Employee Stock Plan.

(c) By deleting Section 7.15 thereof in its entirety and substituting the following new Section 7.15 in its stead:

7.15 Excess Availability; Availability. Permit Excess Availability at any time to be less than ten percent (10%) of the Loan Cap, or permit Availability at any time to be less than Five Million Five Hundred Thousand Dollars (\$5,500,000).

6. Amendment to Schedules to Credit Agreement. Each of the following schedules to the Credit Agreement is hereby amended by deleting such schedule in its entirety and restating it in its entirety in the form of the corresponding schedule in Exhibit A attached hereto: Schedules 1.01(a), 1.01(b), 1.01(c), 2.01, 5.01, 5.05, 5.06, 5.07, 5.08(b)(1), 5.08(b)(2), 5.09, 5.10, 5.13, 5.17, 5.18, 5.21(a), 5.21(b), 5.24, 7.01, 7.02, 7.03, and 10.02.

7. Amendments to Exhibits to Credit Agreement.

(a) Exhibit G to the Credit Agreement is hereby amended by deleting such exhibit in its entirety and restating it in its entirety in the form of Exhibit G attached hereto.

(b) The Exhibits to the Credit Agreement are hereby amended by adding Exhibit J thereto in the form of Exhibit J attached hereto.

8. References to Wells Fargo. Any and all references to "Wells Fargo Retail Finance, LLC" in the Credit Agreement or any other Loan Document shall mean and refer to "Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC)".

9. Ratification of Loan Documents. Except as otherwise expressly provided herein, all terms and conditions of the Credit Agreement, the Security Agreement and the other Loan Documents remain in full force and effect. The Loan Parties hereby ratify, confirm, and reaffirm that all representations and warranties of the Loan Parties contained in the Credit Agreement, the Security Agreement and each other Loan Document are true and correct in all material respects on and as of the date hereof, except to the extent that (x) such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects on and as of such earlier date, or (y) such representations and warranties are subject to “materiality” or “Material Adverse Effect” or similar language, in which case they are true and complete in all respects. The Guarantors hereby acknowledge, confirm and agree that the Guaranteed Obligations of the Guarantors under, and as defined in, the Facility Guaranty include, without limitation, all Obligations of the Loan Parties at any time and from time to time outstanding under the Credit Agreement and the other Loan Documents, as such Obligations have been amended pursuant to this Amendment. The Loan Parties hereby acknowledge, confirm and agree that the Security Documents and any and all Collateral previously pledged to the Collateral Agent, for the benefit of the Credit Parties, pursuant thereto, shall continue to secure all applicable Obligations of the Loan Parties at any time and from time to time outstanding under the Credit Agreement and the other Loan Documents.
10. Conditions to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been fulfilled to the reasonable satisfaction of the Administrative Agent:
- (a) The Administrative Agent shall have received counterparts of this Amendment duly executed and delivered by each of the parties hereto.
 - (b) All action on the part of the Loan Parties necessary for the valid execution, delivery and performance by the Loan Parties of this Amendment and the documents, instruments and agreements to be executed in connection herewith shall have been duly and effectively taken and evidence thereof reasonably satisfactory to the Administrative Agent shall have been provided to the Administrative Agent.
 - (c) The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent and duly executed by the Borrowers, a Note in favor of each Lender requesting a Note and reflecting the Commitment of such Lender after giving effect to this Amendment.
 - (d) The Administrative Agent shall have received a favorable opinion of Lindquist & Vennum P.L.L.P., counsel to the Loan Parties, addressed to the Administrative Agent and each other Credit Party, as to such matters concerning the Loan Parties, this Amendment and the other Loan Documents as the Administrative Agent may reasonably request.

- (e) The Loan Parties shall have paid in full all reasonable costs and expenses of the Agents (including, without limitation, reasonable attorneys' fees) in connection with the preparation, negotiation, execution and delivery of this Amendment and related documents.
- (f) The Administrative Agent shall have received an updated Borrowing Base Certificate reflecting the Borrowing Base as of the date hereof (after giving effect to this Amendment).
- (g) No Default or Event of Default shall have occurred and be continuing.
- (h) On or prior to the date hereof, the Borrowers shall have paid the fees set forth in the First Amendment Fee Letter.
- (i) The Administrative Agent shall have received such additional documents, instruments, and agreements as any Agent may reasonably request in connection with the transactions contemplated hereby.

11. Post-Closing Covenants.

- (a) Within thirty (30) days following the First Amendment Effective Date (or such longer period as the Administrative Agent may agree in its sole discretion), the Loan Parties shall deliver to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, such updates to the Perfection Certificate delivered to the Administrative Agent on the Closing Date as are necessary to render the representations and warranties set forth therein complete and accurate as of the First Amendment Effective Date (it being acknowledged and agreed that the Loan Parties shall not be required to update any such information appearing in the schedules annexed hereto as Exhibit A).
- (b) Without limiting the Loan Parties' obligations under Section 6.17 of the Credit Agreement, Section 3.6 of the Security Agreement or any similar provision in any Loan Document, to the extent any of the schedules annexed hereto as Annex A or the updates to the Perfection Certificate described in clause (a) above reflect (i) DDAs, freight forwarders, customs brokers, distribution centers, or warehouses that are not currently the subject of Blocked Account Agreements, Collateral Access Agreements, customs broker agreements or similar agreements, or (ii) registered intellectual property that is not currently subject to the Collateral Agent's Lien of record with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, then, in each case, within sixty (60) days following the Administrative Agent's receipt of the updates to the Perfection Certificate described in clause (a) above (or such longer period as the Administrative Agent may agree in its sole discretion), the Loan Parties shall deliver to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, such Blocked Account Agreements, Collateral Access Agreements, customs broker agreements or similar agreements (in the

case of clause (i) above) and short form grants of security interest in intellectual property in form acceptable for recording with the United States Patent and Trademark Office or United States Copyright Office, as applicable (in the case of clause (ii) above), as the Administrative Agent may reasonably request.

- (c) Within one hundred twenty (120) days following the First Amendment Effective Date (or such longer period as the Administrative Agent may agree in its sole discretion), the Loan Parties shall deliver to the Collateral Agent, in form and substance reasonably satisfactory to the Collateral Agent, (i) a duly executed amendment to the Mortgage in respect of the Eligible Real Estate owned by the Lead Borrower and located in Loveland, Larimer County, Colorado, pursuant to which, among other things, amendment the aggregate principal amount referred to in Recital A of the Mortgage shall be increased from \$75,000,000 to \$95,000,000, (ii) in connection with such amendment, such endorsements to the Mortgage Policies reasonably required by the Agents (to the extent available at commercially reasonable rates) and in amounts reasonably acceptable to the Collateral Agent, and (iii) an updated Schedule 7.01 to the Credit Agreement, which, upon acceptance by the Administrative Agent thereof, shall replace and supersede the existing Schedule 7.01 to the Credit Agreement (it being understood and agreed that no revision to such Schedule shall be deemed the Credit Parties' consent to the matters reflected in such updated Schedule nor permit the Loan Parties to undertake any actions otherwise prohibited under the Credit Agreement; nor shall any such supplement to such Schedule be deemed the Credit Parties' waiver of any Default or Event of Default resulting from the matters disclosed therein).
- (d) Within one hundred twenty (120) days following the First Amendment Effective Date (or such longer period as the Administrative Agent may agree in its sole discretion), the Loan Parties shall deliver to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, evidence that all insurance required to be maintained pursuant to the Loan Documents and all endorsements in favor of the Agents required under the Loan Documents have been obtained and are in effect.

Notwithstanding anything to the contrary, the Loan Parties acknowledge and agree that the failure of the Loan Parties to comply with any provision of this Section 11 shall constitute an immediate Event of Default pursuant to Section 8.01(b) of the Credit Agreement.

12. Representations and Warranties.

- (a) The execution, delivery and performance by each Loan Party of this Amendment and the performance of each Loan Party's obligations hereunder have been duly authorized by all necessary corporate or other organizational action, do not and shall not: (i) contravene the terms of any of such Person's Organization Documents; (ii) conflict with or result in any breach, termination, or

contravention of, or constitute a default under, or require any payment to be made under (x) any Material Contract or any Material Indebtedness to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (iii) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Collateral Agent under the Security Documents); or (iv) violate any Law.

- (b) This Amendment has been duly executed and delivered by each Loan Party. This Amendment constitutes a legal, valid and binding obligation of each Loan Party, enforceable against each Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.
- (c) After giving effect to the transactions contemplated by this Amendment, the Loan Parties, on a Consolidated basis, are Solvent. No transfer of property has been or will be made by any Loan Party and no obligation has been or will be incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of any Loan Party.
- (d) There has been no event or circumstance since January 31, 2011 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (e) No consents, licenses or approvals are required in connection with the execution, delivery and performance by any Loan Party, and the validity against such Loan Party, of this Amendment or any other Loan Document to which it is a party, except for such consents, licenses and approvals attached hereto as Schedule III, each of which are in full force and effect as of the date hereof.
- (f) No Default or Event of Default has occurred and is continuing.

13. Miscellaneous.

- (a) Each of the Loan Parties hereby acknowledges and agrees that it has no offsets, defenses, claims, or counterclaims against the Agents, the other Credit Parties, or their respective parents, affiliates, predecessors, successors, or assigns, or their officers, directors, employees, attorneys, or representatives, with respect to the Obligations, and that if any of the Loan Parties now has, or ever did have, any offsets, defenses, claims, or counterclaims against such Persons, whether known or unknown, at law or in equity, from the beginning of the world through this date and through the time of execution of this Amendment, all of them are hereby

expressly WAIVED, and each of the Loan Parties hereby RELEASES such Persons from any liability therefor.

- (b) This Amendment may be executed in several counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Amendment by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.
- (c) This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.
- (d) If any provision of this Amendment is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- (e) The Loan Parties represent and warrant that they have consulted with independent legal counsel of their selection in connection with this Amendment and are not relying on any representations or warranties of the Agents or the other Credit Parties or their respective counsel in entering into this Amendment.
- (f) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have hereunto caused this Amendment to be executed and their seals to be hereto affixed as of the date first above written.

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, as
Lead Borrower and as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP., a Minnesota
corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited
liability company, as a Borrower

By: Sportsman's Warehouse, Inc., its Sole Member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to First Amendment to Credit Agreement

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah
corporation, as a Guarantor

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

Signature Page to First Amendment to Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
successor by merger to Wells Fargo Retail Finance, LLC), as
Administrative Agent, Collateral Agent, Lender and Swing
Line Lender

By: /s/ Peter Foley
Name: Peter Foley
Title: Duly Authorized Signatory

Signature Page to First Amendment to Credit Agreement

Schedule I

Borrowers other than the Lead Borrower

Sportsman's Warehouse Southwest, Inc.
Minnesota Merchandising Corp.
Pacific Flyway Wholesale, LLC

Schedule II

Guarantors

Sportsman's Warehouse Holdings, Inc.

Schedule III

Required Consents

None.

Exhibit A

Schedules to Credit Agreement

[see attached]

REVISED SCHEDULES TO CREDIT AGREEMENT

Dated as of October 27, 2011

among

SPORTSMAN'S WAREHOUSE, INC.,

as the Lead Borrower

For

The Borrowers Named Herein

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Administrative Agent, Collateral Agent, Swing Line Lender,

and

The Other Lenders Party Hereto

This document constitutes the schedules to the Credit Agreement dated May 28, 2010, as amended by that certain First Amendment to Credit Agreement dated October 27, 2011 (the "Credit Agreement") by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto (individually, a "Guarantor" and, collectively, the "Guarantors"), (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Collateral Agent and Swing Line Lender. Capitalized terms used but not defined herein shall have the meanings set forth in the Credit Agreement.

Matters reflected in these schedules are not necessarily limited to matters required by the Credit Agreement to be reflected herein. Such additional matters are set forth for informational purposes and do not necessarily include other matters of a similar nature. An exception or matter disclosed with respect to one representation or warranty shall also be deemed disclosed with respect to each other warranty or representation to which the exception or matter reasonably relates to the extent such relationship is reasonably apparent on the face of the disclosure contained in these schedules.

Disclosure Schedule 1.01(a)

Borrowers

Sportsman's Warehouse, Inc., a Utah corporation
Sportsman's Warehouse Southwest, Inc., a California corporation
Minnesota Merchandising Corp., a Minnesota corporation
Pacific Flyway Wholesale, LLC, a Delaware limited liability company

Disclosure Schedule 1.01(b)

Eligible Real Estate

Lot 1, ROCKY MOUNTAIN VILLAGE EIGHTH SUBDIVISION to the City of Loveland, County of Larimer, State of Colorado.

Property address: 1675 Rocky Mountain Avenue, Loveland, Colorado.

Disclosure Schedule 1.01(c)

Fiscal Calendar through Fiscal Year 2028

Fiscal Year Period	FY09		FY10		FY11		FY12		FY13	
	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>
1	2/1/2009	2/28/2009	1/31/2010	2/27/2010	1/30/2011	2/26/2011	1/29/2012	2/25/2012	2/3/2013	3/2/2013
2	3/1/2009	3/28/2009	2/28/2010	3/27/2010	2/27/2011	3/26/2011	2/26/2012	3/24/2012	3/3/2013	3/30/2013
3	3/29/2009	5/2/2009	3/28/2010	5/1/2010	3/27/2011	4/30/2011	3/25/2012	4/28/2012	3/31/2013	5/4/2013
4	5/3/2009	5/30/2009	5/2/2010	5/29/2010	5/1/2011	5/28/2011	4/29/2012	5/26/2012	5/5/2013	6/1/2013
5	5/31/2009	6/27/2009	5/30/2010	6/26/2010	5/29/2011	6/25/2011	5/27/2012	6/23/2012	6/2/2013	6/29/2013
6	6/28/2009	8/1/2009	6/27/2010	7/31/2010	6/26/2011	7/30/2011	6/24/2012	7/28/2012	6/30/2013	8/3/2013
7	8/2/2009	8/29/2009	8/1/2010	8/28/2010	7/31/2011	8/27/2011	7/29/2012	8/25/2012	8/4/2013	8/31/2013
8	8/30/2009	9/26/2009	8/29/2010	9/25/2010	8/28/2011	9/24/2011	8/26/2012	9/22/2012	9/1/2013	9/28/2013
9	9/27/2009	10/31/2009	9/26/2010	10/30/2010	9/25/2011	10/29/2011	9/23/2012	10/27/2012	9/29/2013	11/2/2013
10	11/1/2009	11/28/2009	10/31/2010	11/27/2010	10/30/2011	11/26/2011	10/28/2012	11/24/2012	11/3/2013	11/30/2013
11	11/29/2009	12/26/2009	11/28/2010	12/25/2010	11/27/2011	12/24/2011	11/25/2012	12/29/2012	12/1/2013	12/28/2013
12	12/27/2009	1/30/2010	12/26/2010	1/29/2011	12/25/2011	1/28/2012	12/30/2012	2/2/2013	12/29/2013	2/1/2014
	FY14		FY15		FY16		FY17		FY18	
	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>
1	2/2/2014	3/1/2014	2/1/2015	2/28/2015	1/31/2016	2/27/2016	1/29/2017	2/25/2017	2/4/2018	3/3/2018
2	3/2/2014	3/29/2014	3/1/2015	3/28/2015	2/28/2016	3/26/2016	2/26/2017	3/25/2017	3/4/2018	3/31/2018
3	3/30/2014	5/3/2014	3/29/2015	5/2/2015	3/27/2016	4/30/2016	3/26/2017	4/29/2017	4/1/2018	5/5/2018
4	5/4/2014	5/31/2014	5/3/2015	5/30/2015	5/1/2016	5/28/2016	4/30/2017	5/27/2017	5/6/2018	6/2/2018
5	6/1/2014	6/28/2014	5/31/2015	6/27/2015	5/29/2016	6/25/2016	5/28/2017	6/24/2017	6/3/2018	6/30/2018
6	6/29/2014	8/2/2014	6/28/2015	8/1/2015	6/26/2016	7/30/2016	6/25/2017	7/29/2017	7/1/2018	8/4/2018
7	8/3/2014	8/30/2014	8/2/2015	8/29/2015	7/31/2016	8/27/2016	7/30/2017	8/26/2017	8/5/2018	9/1/2018
8	8/31/2014	9/27/2014	8/30/2015	9/26/2015	8/28/2016	9/24/2016	8/27/2017	9/23/2017	9/2/2018	9/29/2018
9	9/28/2014	11/1/2014	9/27/2015	10/31/2015	9/25/2016	10/29/2016	9/24/2017	10/28/2017	9/30/2018	11/3/2018
10	11/2/2014	11/29/2014	11/1/2015	11/28/2015	10/30/2016	11/26/2016	10/29/2017	11/25/2017	11/4/2018	12/1/2018
11	11/30/2014	12/27/2014	11/29/2015	12/26/2015	11/27/2016	12/24/2016	11/26/2017	12/30/2017	12/2/2018	12/29/2018
12	12/28/2014	1/31/2015	12/27/2015	1/30/2016	12/25/2016	1/28/2017	12/31/2017	2/3/2018	12/30/2018	2/2/2019

	FY19		FY20		FY21		FY22		FY23	
	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>
1	2/3/2019	3/2/2019	2/2/2020	2/29/2020	1/31/2021	2/27/2021	1/30/2022	2/26/2022	1/29/2023	2/25/2023
2	3/3/2019	3/30/2019	3/1/2020	3/28/2020	2/28/2021	3/27/2021	2/27/2022	3/26/2022	2/26/2023	3/25/2023
3	3/31/2019	5/4/2019	3/29/2020	5/2/2020	3/28/2021	5/1/2021	3/27/2022	4/30/2022	3/26/2023	4/29/2023
4	5/5/2019	6/1/2019	5/3/2020	5/30/2020	5/2/2021	5/29/2021	5/1/2022	5/28/2022	4/30/2023	5/27/2023
5	6/2/2019	6/29/2019	5/31/2020	6/27/2020	5/30/2021	6/26/2021	5/29/2022	6/25/2022	5/28/2023	6/24/2023
6	6/30/2019	8/3/2019	6/28/2020	8/1/2020	6/27/2021	7/31/2021	6/26/2022	7/30/2022	6/25/2023	7/29/2023
7	8/4/2019	8/31/2019	8/2/2020	8/29/2020	8/1/2021	8/28/2021	7/31/2022	8/27/2022	7/30/2023	8/26/2023
8	9/1/2019	9/28/2019	8/30/2020	9/26/2020	8/29/2021	9/25/2021	8/28/2022	9/24/2022	8/27/2023	9/23/2023
9	9/29/2019	11/2/2019	9/27/2020	10/31/2020	9/26/2021	10/30/2021	9/25/2022	10/29/2022	9/24/2023	10/28/2023
10	11/3/2019	11/30/2019	11/1/2020	11/28/2020	10/31/2021	11/27/2021	10/30/2022	11/26/2022	10/29/2023	11/25/2023
11	12/1/2019	12/28/2019	11/29/2020	12/26/2020	11/28/2021	12/25/2021	11/27/2022	12/24/2022	11/26/2023	12/30/2023
12	12/29/2019	2/1/2020	12/27/2020	1/30/2021	12/26/2021	1/29/2022	12/25/2022	1/28/2023	12/31/2023	2/3/2024

	FY24		FY25		FY26		FY27		FY28	
	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>	<u>Beg</u>	<u>End</u>
1	2/4/2024	3/2/2024	2/2/2025	3/1/2025	2/1/2026	2/28/2026	1/31/2027	2/27/2027	1/30/2028	2/26/2028
2	3/3/2024	3/30/2024	3/2/2025	3/29/2025	3/1/2026	3/28/2026	2/28/2027	3/27/2027	2/27/2028	3/25/2028
3	3/31/2024	5/4/2024	3/30/2025	5/3/2025	3/29/2026	5/2/2026	3/28/2027	5/1/2027	3/26/2028	4/29/2028
4	5/5/2024	6/1/2024	5/4/2025	5/31/2025	5/3/2026	5/30/2026	5/2/2027	5/29/2027	4/30/2028	5/27/2028
5	6/2/2024	6/29/2024	6/1/2025	6/28/2025	5/31/2026	6/27/2026	5/30/2027	6/26/2027	5/28/2028	6/24/2028
6	6/30/2024	8/3/2024	6/29/2025	8/2/2025	6/28/2026	8/1/2026	6/27/2027	7/31/2027	6/25/2028	7/29/2028
7	8/4/2024	8/31/2024	8/3/2025	8/30/2025	8/2/2026	8/29/2026	8/1/2027	8/28/2027	7/30/2028	8/26/2028
8	9/1/2024	9/28/2024	8/31/2025	9/27/2025	8/30/2026	9/26/2026	8/29/2027	9/25/2027	8/27/2028	9/23/2028
9	9/29/2024	11/2/2024	9/28/2025	11/1/2025	9/27/2026	10/31/2026	9/26/2027	10/30/2027	9/24/2028	10/28/2028
10	11/3/2024	11/30/2024	11/2/2025	11/29/2025	11/1/2026	11/28/2026	10/31/2027	11/27/2027	10/29/2028	11/25/2028
11	12/1/2024	12/28/2024	11/30/2025	12/27/2025	11/29/2026	12/26/2026	11/28/2027	12/25/2027	11/26/2028	12/30/2028
12	12/29/2024	2/1/2025	12/28/2025	1/31/2026	12/27/2026	1/30/2027	12/26/2027	1/29/2028	12/31/2028	2/3/2029

SCHEDULE 2.01

Commitments and Applicable Percentages

<u>Lender</u>	<u>Commitment</u>	<u>Applicable Percentage</u>
Wells Fargo Bank, National Association	\$95,000,000	100%
TOTAL	<u>\$95,000,000</u>	<u>100%</u>

Disclosure Schedule 5.01

Loan Parties' Organizational Information

<u>Name</u>	<u>State of Organization</u>	<u>Organization Type</u>	<u>Organization Number</u>	<u>FEIN</u>
Sportsman's Warehouse Holdings, Inc.	Utah	Corporation	1467586-0142	39-1975614
Sportsman's Warehouse, Inc.	Utah	Corporation	991589-0142	87-0452614
Minnesota Merchandising Corp.	Minnesota	Corporation	678698-2	20-0942908
Sportsman's Warehouse Southwest, Inc.	California	Corporation	C2888368	20-5218590
Pacific Flyway Wholesale, LLC	Delaware	Limited liability company	4739552	27-1088315

Disclosure Schedule 5.05

Material Indebtedness

Sponsor Note.

Cash Flow Payment.

Allowed Priority Tax Claims.

Amounts due under the Leases.

Amounts due pursuant to the mortgages listed on Schedule 7.03.

Litigation**1. McGillis/Eckman Investments-Billings, LLC**

McGillis/Eckman Investments-Billings, LLC (“MEI”), as landlord, and Lead Borrower, as tenant, entered into a Lease dated March 20, 2008 (the “Billings Lease”) for the operation of a Sportsman’s Warehouse store in Billings, Montana (the “Billings Store”). Lead Borrower assumed certain obligations of the Billings Lease in connection with that certain plan of reorganization (the “Plan”) confirmed by the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), *In re Sportsman’s Warehouse, Inc.*, Case No. 09-10990 (Bankr. D. Del.) (the “Reorganization”). On February 19, 2010, MEI filed a Complaint in Case No. DV-10 294, in the Thirteenth Judicial District Court, Yellowstone County, in Billings, Montana (the “Montana Action”) alleging that Lead Borrower was in default of the Billings Lease for failure to purchase the Billings Store, pursuant to an Option to Purchase contained in the Billings Lease. In the Montana Action, MEI sought specific performance of the purchase, or in the alternative, damages in the approximate amount of \$3,000,000. At approximately the same time, MEI demanded that Lead Borrower vacate the Billings Store, which vacation Lead Borrower completed as of March 1, 2010. On March 11, 2010, Lead Borrower filed a Notice of Removal in the Montana Action removing the Montana Action to the United States District Court for the District of Montana under 28 U.S.C. Section 1334. On March 17, 2010, Lead Borrower filed a Complaint in the Bankruptcy Court (“Bankruptcy Court Action”) requesting declaration that the Montana Action is invalid or, in the alternative, that the Bankruptcy Court’s order authorizing assumption of the Billings Lease be vacated. This matter remains a Bankruptcy Court Action. Initial disclosures have been exchanged by the parties and written discovery has been completed. Depositions have been scheduled and rescheduled. On September 16, 2011, the Bankruptcy Court issued an Order which dismissed one of MEI’s claims and part of another MEI claim, but retained the remaining claims for trial. At this time, Lead Borrower continues to pursue resolution of this matter in the most expeditious manner.

2. See also Schedules 5.17 and 5.18

Default

None.

Disclosure Schedule 5.08(b)(1)

Owned Real Estate

Sportsman's Warehouse, Inc.

<u>Address</u>	<u>Mortgagee and/or Lien Holders</u>
Store #106 1675 Rocky Mountain Ave. Loveland, CO 80538 Larimer County	Wells Fargo Bank, National Association
Store #114 165 West 7200 South Midvale, UT 84047 Salt Lake County	Steams Bank
Store #117 19205 N. 27th Ave. Phoenix, AZ 85027 Maricopa County	Heritage Bank
Store #119 11 West 84th Ave. Thornton, CO 80260 Adams County	Beal Bank Nevada
Store #120 921 SE Oralabor Rd. Ankeny, IA 50021 Polk County	First American Bank
Store #139 1750 S. Greenfield Rd. Mesa, AZ 85206-3481 Maricopa County	Heritage Bank

No other Loan Party owns Real Estate.

Disclosure Schedule 5.08(b)(2)

Leased Real Estate

Sportsman's Warehouse, Inc.

<u>Address</u>	<u>Current Landlord</u>
1137 W. Riverdale Road Riverdale, Utah 84405 (Ogden) Weber County	DDR Riverdale South LLC c/o Developers Diversified Realty Corporation 3300 Enterprise Parkway Beachwood, OH 44122 Re: Account # 104873-20247-7076 Attn: Vice President-Leasing
3797 E. Fairview Avenue Meridian, Idaho 83642 (Boise) Ada County	GS II Meridian Crossroads LLC c/o Developers Diversified Realty Corporation 3300 Enterprise Parkway Beachwood, OH 44122 # 104873-20236-7074
2909 S. Hitt Road Ammon, Idaho 83405 (Idaho Falls) Bonneville County	William H. Ziering P.O. Box 8435 15611 Via De Santa Fe Rancho Santa Fe, CA 92067
2464 US Highway 6 & 50 Grand Junction, Colorado 81505 Mesa County	Grand Mesa Center, L.L.C. (DE LLC) c/o THF Realty, Inc. 2127 Innerbelt Business Center Drive Suite 200 St. Louis, MO 63114 Attn: Lease Administration
1075 South University Avenue Provo, Utah 84601 Utah County	East Bay Center, LLC. (UT LLC) c/o Elliott Associates, Inc. as agents 901 NE Gilsan Portland, OR 97232
7035 High Tech Drive, #200 Midvale, Utah 84047 (Corporate Offices) Salt Lake County	7037 South Warehouse LLC (UT LLC) Attn: Scott A. Nielsen 6371 South Vintage Oak Lane Salt Lake City, UT 84121
1940 Bridgeview Blvd. Twin Falls, Idaho 83301 Twin Falls County	Canyon Park I, LLC Attn: Tina F. Luper 161 5th Avenue South, Suite 202 Twin Falls, ID 83303 208/421-8296 (phone) 208/736-3912 (fax)

<u>Address</u>	<u>Current Landlord</u>
8681 Old Seward Highway Anchorage, AK 99515 Anchorage Borough (County)	ANC Dimond LLC and ANC Hawkins LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
3306 Kietzke Lane Reno, Nevada 89502 Washoe County	Kietzke Plaza LLC (WA LLC) Attn: Rob Rothe 3000 Northrup Way Suite 101 Bellevue, WA 98004
1450 Renaissance Blvd., NE Albuquerque, New Mexico 87107 Bernalillo County	Kenneth Donald Knievel Administrative Agent 225 Sequoia Circle Windsor, CO 80550-5807
3945 West Costco Drive Marana (Tucson), Arizona 85741 Pima County	HCo Marana LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
423 Merhar Avenue Fairbanks, Alaska 99701-3166 Fairbanks North Star Borough (County)	Aurora Center LLC, Cascade I, LLC and Cornell III, LLC c/o Elliott Associates 901 NE Glisan Street Portland, OR 97232
9669 South Prosperity Road West Jordan, Utah 84081-6219 (Distribution Center) Salt Lake County	KPFN Properties, L.C. The Ninigret Group, L.C. Manager 1700 South 4650 West Salt Lake City, UT 84104 Attn: Randolph G. Abood, Manager
555 North Chelton Road Colorado Springs, CO 80909-5217 El Paso County	MMP Citadel, LLC (a Delaware LLC) MMP Citadel, LLC 5571 Bleaux Avenue Springdale, AR 72762
4120 East 2nd Street Casper, WY 82609-2319 Natrona County	GRH Casper LLC MKJ Casper LLC c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
6241 Perimeter Drive, Suite J Chattanooga, TN 37421-3601 Hamilton County	G&M Chattanooga (ID GP) and Slovis Chattanooga, LLC (TN LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153

<u>Address</u>	<u>Current Landlord</u>
2957 East 850 North St. George, UT 84790 Washington County	Miller Properties St. George, LLC (ID LLC) Attn: Otto Miller 1395 Marsten Road Burlingame, CA 94010
476 Piney Grove Road Columbia, South Carolina 29210 Richland County	Boise Spectrum LLC (ID LLC), GRH Kaysville LLC (ID LLC) and MRH Venture Capital LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
2200 War Admiral Place, Suite 130 Lexington, KY 40509 Lexington-Fayette County	War Admiral Place, LLC (KY LLC) 2527 Sir Barton Way Lexington, KY 40509
1901 East Parks Highway Wasilla, AK 99654 Matanuska-Susitna Borough (County)	G & M Wasilla LLC (ID LLC) e/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
1710 Delta Waters Road Medford, OR 97504 Jackson County	Crater Lake Venture, LLC (OR LLC) Attn: Sheila Roley, Property Manager 744 Cardley Avenue, Suite 100 Medford, OR 97504
44402 Sterling Highway Soldotna, AK 99669 Kenai Peninsula County	SXQ Company, LLC c/o Penco Properties Attn: Henry Penney 3620 Penland Parkway Anchorage, AK 99508 Phone: (907) 276-2222
130 Marathon Way Southaven, MS 38671 De Soto County	SW-MS, LLC Lucknow, LLC Nolin SW, LLC Attn: James Devincenti 1 Blackfield Drive, #112 Tiburon, CA 94920 Phone: (415) 625-2158 (office) Phone: (415) 516-3270 (cell)
1795 South 5350 West Salt Lake City, UT 84014 (Fixture Warehouse) Salt Lake County	Landmark III Property LLC (UT LLC) 9061 Santa Monica Boulevard Los Angeles, CA 90069

120 – 31st Avenue SE, Suite G
Puyallup, WA 98374
Pierce County

Address

South Hill Village Limited Partnership
c/o Anka Property Group
Attn: Andrew Stringer
Level 3, 179-191 New South Head Road
(PO Box 727)
Edgecliff NSW 2027
Telephone: +61 2 9302-3000

Current Landlord

5647 Centennial Center Boulevard
Las Vegas, NY 89149-7104
Clark County

Centennial Gateway, LLC (NV LLC)
Attn: Terri Sturm
5785 Centennial Center Blvd., Suite 230
Las Vegas, NV 89149
(702) 822-8200

Sportsman’s Warehouse Southwest, Inc.

6640 Lonetree Blvd.
Rocklin, CA 95765
Placer County

Address

Rocklin Retail LLC (CA LLC)
Attn: Michael Smythe
142 S. Santa Cruz Avenue
Los Gatos, CA 95030

Current Landlord

Hilltop Drive and Highway 44
1643 Hilltop Drive
Redding, CA 96002
Shasta County

GRH California LLC, MRH Redding LLC and GP Hilltop LLC (ID LLCs)
c/o Hawkins Companies LLC
Attn: Legal Department
855 Broad Street, Suite 300
Boise, ID 83702
Phone: (208) 376-8522
Fax: (208) 376-8523

Disclosure Schedule 5.09

Environmental Matters

The representations and warranties made by the Loan Parties in Section 5.09 are qualified by the contents of the following environmental reports and documents:

<u>Location</u>	<u>Assessment CO.</u>	<u>Date</u>
Twin Falls, ID	Ph I - EHM Engineering, Twin Falls, ID	07/12/00
Anchorage, AK	Geo - Dowl Engineers, Anchorage, AK	09/18/92
Albuquerque, NM	Ph I - Vinyard & Assoc., Albuquerque, NM	03/05/01
Tucson, AZ	Ph I - AMEC, Tempe, AZ	06/24/04
	Geo - Speedie & Assoc., Phoenix, AZ	07/12/04
Colorado Springs, CO	Geo - Terracon, Colorado Springs, CO	04/08/05
St. George, UT	Geo - AGECE, St. George, UT	05/03/05
Columbia, SC	Geo - Schnabel Engineering, W. Columbia, SC	08/18/05
Rocklin, CA	Geo - Earthtec Ltd., Roseville, CA	10/14/97
Billings, MT	Geo - Rimrock Engineering, Billings, MT	12/20/07
Wasilla, AK	Geo - Northern Geotechnical Engineers, Anchorage, AK	09/20/06
Loveland, CO	ENSR 1601 Prospect Prkwy Fort Collins, CO 80525	October, 1997
Thornton, CO	ERO Resources Corp 1740 High Street Denver, CO 80218	June, 1996
Thornton, CO	Environmental Resources Mgmt S9S0 S Willow Drive Greenwood Village, CO	May, 2003
Mesa, AZ	Certified Environmental Services, INC 1348 E Missouri Ave Phoenix, AZ 85014	February, 2005
Ankeny, IA	Allender Butzke Engineers 3660 109th Street Urbandale IA S0322	June, 2003
Phoenix, AZ	Knudsen-Smith Engineering 7902 North Black Canyon HWY Phoenix, AZ 85051	October, 2002
Midvale, UT	Bingham Environmental 5160 Wiley Post Way Salt Lake City, UT 84116	June, 2002

<u>Location</u>	<u>Assessment CO.</u>	<u>Date</u>
Review of Ankeny, Loveland, Mesa, Phoenix, St. Cloud Midvale, UT	Rqstd by Seidler performed by GaiaTech 3343 Peachtree Road NE Atlanta GA 30326	June, 2007
Thornton, CO	GaiaTech 3343 Peachtree Road NE Atlanta GA 30326	June, 2007
Distribution Center, UT	GaiaTech 3343 Peachtree Road NE Atlanta GA 30326	May, 2007
Allen Park, MI	NTH Consultants, Ltd. Post Closure Plan - Ford Motor Land Development Corporation 550 Town Center Drive, Suite 200 Dearborn, MI 48126-2477	January, 2007 July, 2004
Puyallup, WA	CMSI Environmental Specialties Asbestos Inspection 4227 S Meridian, STE C, #625 Puyallup, WA 98373	April, 2011

Disclosure Schedule 5.10

Insurance

Summary of insurance policies held by the Loan Parties:

Type	Policy #/Period	Limits	Deductible	Premiums
EPLI - Executive Risk Indemnity Inc.	***	Agent: Diversified Insurance / Carpenter Moore		
Directors & Officers	4/1/11 - 4/1/12	***	***	
Employment Practices	4/1/11 - 4/1/12	***	***	Total premium for
Third Party Discrimination	4/1/11 - 4/1/12	***	***	all three coverages
Fiduciary	4/1/11 - 4/1/12	***	***	\$ ***
EPLI - Illinois National Insurance Co	***	Agent: Diversified Insurance / Carpenter Moore		
D&O EPLI - Excess	4/1/11 - 4/1/12	***	N/A	\$ ***
Worker's Comp - The Hartford	***	Agent: Lockton Companies		
	11/1/10 - 11/1/11	(A) ***	N/A	\$ ***

(A) ***

GL, Property, Umbrella	***	Agent: Lockton Companies		
GL - National Fire Insurance	11/1/10 - 11/1/11	***	***	\$ ***
Property - Continental Casualty Co.	11/1/10 - 11/1/11	***	***	\$ ***
			(Other Deductibles: ***)	
Umbrella - Continental Casualty Co.	11/1/10 - 11/1/11	***	***	\$ ***
Auto - Valley Forge Ins. Co.	***	Agent: Lockton Companies		
	11/1/10 - 11/1/11	***	\$ ***	\$ ***
Ocean Cargo - Falvey Cargo	***	Agent: Lockton Companies		
	11/1/10 - 11/1/11	***	***	\$ ***
Crime - National Union Fire	***	Agent: Lockton Companies		
	11/1/10 - 11/1/11	***	***	\$ ***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Subsidiaries; Other Equity Investments; Equity Interests in the Borrower

(a) Authorized Equity Interests*

<u>Company</u>	<u>Jurisdiction of Organization</u>	<u>Authorized Equity Interests</u>
Sportsman’s Warehouse, Inc.	Utah	1,000 Shares Common Stock, \$.01 par value
Minnesota Merchandising Corp.	Minnesota	1,000 Shares Common Stock, \$.01 par value
Sportsman’s Warehouse Southwest, Inc.	California	1,000 Shares Common Stock, \$.01 par value
Pacific Fly way Wholesale, LLC	Delaware	Percentage Interests

* For amounts owned by the Loan Parties, see (b) and (c) below.

(b) Equity Interests held

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman’s Warehouse, Inc.	Sportsman’s Warehouse Holdings, Inc,	Common Stock	100
Minnesota Merchandising Corp.	Sportsman’s Warehouse Holdings, Inc.	Common Stock	100
Sportsman’s Warehouse Southwest, Inc.	Sportsman’s Warehouse, Inc.	Common Stock	100
Pacific Flyway Wholesale, LLC	Sportsman’s Warehouse, Inc.	Percentage Interests	100% of the Percentage Interests

(c) Loan Party Ownership (see also (b) above)

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman’s Warehouse Holdings, Inc.*	SEP SWH Holdings, L.P.	Common Stock	4,700,000
	New SEP SWH Holdings, L.P.	Common Stock	4,800,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	112,500

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Issuer	Name of Stockholder	Class	Number of Shares
	***	Restricted Nonvoting Common Stock	61,940
	***	Restricted Nonvoting Common Stock	112,500
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	112,500
	John Schaefer	Restricted Nonvoting Common Stock	734,375
	***	Restricted Nonvoting Common Stock	94,688
	***	Restricted Nonvoting Common Stock	10,000
	Kevan Talbot	Restricted Nonvoting Common Stock	112,500
	***	Restricted Nonvoting Common Stock	112,500
	***	Restricted Nonvoting Common Stock	112,500
	***	Restricted Nonvoting Common Stock	100
	***	Restricted Nonvoting Common Stock	1,300
	***	Restricted Nonvoting Common Stock	2,500
	***	Restricted Nonvoting Common Stock	100
	***	Restricted Nonvoting Common Stock	300
	***	Restricted Nonvoting Common Stock	2,000
	***	Restricted Nonvoting Common Stock	500
	***	Restricted Nonvoting Common Stock	200
	***	Restricted Nonvoting Common Stock	100

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

* 2,400,000 shares of Sportsman's Warehouse Holdings, Inc.'s Restricted Nonvoting Common Stock has been reserved for issuance under the Employee Stock Plan.

Intellectual Property

Infringement Claims

None known.

Labor Matters

Plan/Agreement/Arrangements:

The Management Reimbursement Agreement

Outline of Basic Terms of Employment Regarding Employment of John Schaefer, dated July 15, 2009.

Employee Stock Plan.

Complaints/Claims:

Notice of Wage Lien filed by the Wisconsin Department of Workforce Development (Lien Claimant) against SW pursuant to Wisconsin Statute Section 109.09. (Wisconsin Department of Financial Institutions Filing #090005754223). This wage lien relates to an alleged violation of Wisconsin's plant closing law (state WARN Act). SW believes this wage lien relates to a store closing whereby Wisconsin stores closed approximately 11 days prior to the end of a previously noticed 60 day WARN Act period. It appears that at least the following three individuals may have made claims against SW under the Wisconsin plant closing law: (1) Bob Anderson (ERD Case #200901406); (2) Kent R. Stoddard (#LS200901406); and (3) Peter Iverson (ERD Case # LS200901730). Portions of the above-referenced claims may also relate to an alleged failure to pay certain accrued paid time off ("PTO")/vacation.

Alaska State Commission for Human Rights Complaint of Discrimination filed by Robbie Campbell (ASCHR No. J-11-166). Ms. Campbell, a former employee at the Soldotna, Alaska location, filed a charge of discrimination alleging age discrimination on June 30, 2011. SW filed a response to the charge and denied the allegations. On September 26, 2011, the Alaska State Commission for Human Rights issued a closing order because "Complainant has requested withdrawal of her complaint." It is unknown whether there will be any subsequent judicial proceedings related to this charge, but SW would vigorously defend any such action. SW also successfully opposed Ms. Campbell's application for unemployment benefits, and it is unknown whether Ms. Campbell might seek judicial review of the denial of unemployment benefits.

United States Equal Employment Opportunity Commission Charge of Discrimination filed by Shannon Aykroid (EEOC No. 543-2011-00409). Ms. Aykroid, a former employee at the Albuquerque, New Mexico location, filed a charge of discrimination on July 6, 2011 alleging disability discrimination. SW responded on September 20, 2011 and denied the allegations. SW will vigorously defend itself from this charge of discrimination.

Ganz & Hauf, CHTD v. David Scott, et al. On or about May 3, 2010, the law firm of Ganz & Hauf filed an action in state district court in Clark County, Nevada against SW and IEC Group, Inc. dba AmeriBen to require them to pay the medical expenses of David

Scott following a motor vehicle accident. SW retained Nevada counsel and removed Mr. Scott's action to federal court, where it was assigned case number 2:10-CV-00996- PMP-LRL. SW also accepted the tender of defense by AmeriBen as the medical plan administrator of SW. AmeriBen is vigorously defending both itself and SW. No evaluation presently can be made as to the final outcome of this matter or the likelihood or range of potential loss, if any.

Disclosure Schedule 5.21(a)

DDAs and Blocked Accounts

U.S. Bank National Association
1420 5th Ave – PD-WA-T8TM
Seattle, WA 98101
Attn: Patrick McIndoo
(206) 344-3763

<u>Account Holder</u>	<u>Description</u>		<u>Account Number</u>
Sportsman’s Warehouse, Inc.	Concentration Account	***	
	CD Account	***	
	Main Operating Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Depository Account	***	
	Pacific Flyway Wholesale, LLC	Collateral (Depository)	***
Controlled Disbursement		***	

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Account Holder

Description

Account Number

Sportsman's Warehouse Southwest, Inc.

Operating Account
Depository Account

Wells Fargo Bank, N.A.

299 South Main St., 4th Floor
SLC, UT 84111
Attn: Gary Rigby
(801) 246-1033

Account Holder

Description

Account Number

Sportsman's Warehouse, Inc.

Collateral (Depository)
Operating Account
Depository Account
Depository Account
Depository Account
Depository Account
Depository Account
Depository Account
Depository Account

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Disclosure Schedule 5.21(b)

Credit Card Arrangements

The Borrowers have credit card processing arrangements with the following processors:

1. Terms of Service, as may have been amended and supplemented from time to time (including without limitation by the terms of the PIN-Based, Online Debit Card Addendum to the Terms of Service), between Elavon, Inc. (US Bank) and Sportsman's Warehouse, Inc.
2. Merchant Services Agreement, Form 33722, Rev. 9/02, effective as of June 1, 2003, as may have been amended and supplemented from time to time, between DFS Services LLC f/k/a Discover Financial Services LLC and Sportsman's Warehouse, Inc.
3. American Express® Card Acceptance Agreement, as may have been amended and supplemented from time to time between American Express Travel Related Services Company, Inc. and Sportsman's Warehouse, Inc.

Material Contracts

Management Reimbursement Agreement

Sponsor Note

Sponsor Security Agreement

Parent Guaranty of Sponsor Note

Mortgages listed on Schedule 7.03

Leases

Disclosure Schedule 7.01

Existing Liens

Liens securing the Sponsor Note.

Liens with respect to the Allowed Priority Tax Claims.

Liens in personal property of SW located in the State of Wisconsin with respect to the Notice of Wage Lien filed by the Wisconsin Department of Workforce Development against SW pursuant to Wisconsin Statute Section 109.09. (Wisconsin Department of Financial Institutions Filing #090005754223). As of the First Amendment Effective Date, SW believes that there is no personal property of SW located in the State of Wisconsin.

UCC-1 Financing Statement to be filed against Pacific Flyway Wholesale, LLC as successor to Pacific Flyway Wholesale, Inc. by DeLage Landen Financial Services, Inc. (prior filing: January 16, 2007, as File Number 311527200700) to secure the capital lease obligations described on Schedule 7.03.

Existing Financing Statements:*

<u>Debtor Name, as listed</u>	<u>Secured Party Name</u>	<u>Filing Date</u>	<u>Lapse Date</u>	<u>Orig. File No.</u>	<u>Property</u>
Sportsman's Warehouse Inc.	Network Appliance Inc.	6/20/2007	6/20/2012	322417200700	Computer equipment

Real Property Interests:*

<u>Entity</u>	<u>Property Location</u>	<u>Secured Party</u>	<u>File Number</u>	<u>File Date</u>	<u>File Type</u>
Sports Warehouse Inc.	Ankeny, Iowa (Polk County)	First American Bank	2003-00008523	7/21/03	Mortgage
Sports Warehouse Inc.	Ankeny, Iowa (Polk County)	First American Bank	2003-00023206	8/15/03	UCC Fixture Filing
Sports Warehouse Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	8304913	7/29/02	Deed of Trust
Sports Warehouse Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	8304914	7/29/02	Assignment of Rents
Sports Warehouse Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	8663676	5/27/03	Modification of Deed of Trust
Sports Warehouse Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	8304915	7/29/02	UCC Fixture Filing
Sportsman's Warehouse, Inc.	Midvale, Utah (Salt Lake County)	Stearns Bank NA	10015889	2/27/07	Continuation Statement for UCC Fixture Filing
Sportsman's Warehouse, Inc.	Loveland, Colorado (Larimer County)	Wells Fargo Retail Finance (now Wells Fargo Bank)	20100048372	8/18/10	Deed of Trust
Sportsman's Warehouse, Inc.	Loveland, Colorado (Larimer County)	City of Loveland	20100075838	12/6/10	Certification of Assessment Roll
Sports Warehouse Inc.	Thornton, Colorado (Adams County)	Marshall Bank, N.A. (now Beal Bank Nevada)	Cl 140493	5/8/03	Deed of Trust, Security Agreement and Fixture Filing Statement

<u>Entity</u>	<u>Property Location</u>	<u>Secured Party</u>	<u>File Number</u>	<u>File Date</u>	<u>File Type</u>
Sports Warehouse Inc.	Thornton, Colorado (Adams County)	Marshall Bank, N.A. (now Beal Bank Nevada)	CI 140494	5/8/03	Assignment of Leases and Rents
Sports Warehouse Inc.	Thornton, Colorado (Adams County)	Marshall Bank, N.A. (now Beal Bank Nevada)	20050801000809 390	8/1/05	Amendment to Note, Construction and Term Loan Agreement, Mortgage and Assignment of Leases and Rents
Sportsman's Warehouse, Inc.	Thornton, Colorado (Adams County)	Beal Bank Nevada	2010000035897	6/1/10	Loan Modification and Extension Agreement
Sportsman's Warehouse Inc.	Phoenix, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20040293461	3/23/04	Deed of Trust, Assignment of Rents and Security Agreement
Sportsman's Warehouse Inc.	Phoenix, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20060395368	3/23/06	Amendment to Deed of Trust, Assignment of Rents and Security Agreement
Sportsman's Warehouse, Inc.	Phoenix, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20060775495	6/8/06	Amendment to Caption Heading of Deed of Trust
Sportsman's Warehouse Inc.	Mesa, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20050412728	4/1/05	Deed of Trust, Assignment of Rents and Security Agreement
Sportsman's Warehouse Inc	Mesa, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20070707821	6/20/07	First Amendment to Deed of Trust
Sportsman's Warehouse Inc.	Mesa, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20050412729	4/1/05	Fixture Filing
Sportsman's Warehouse Inc.	Mesa, Arizona (Maricopa County)	Bridgeview Bank Group (now Heritage Bank)	20050441821	4/7/05	Fixture Filing

* See Schedule 7.03 for the outstanding balance underlying the above liens.

Disclosure Schedule 7.02

Existing Investments

None other than as listed on Schedule 5.13.

Disclosure Schedule 7.03

Existing Indebtedness

Sponsor Note.

Cash Flow Payment.

Allowed Priority Tax Claims.

Other Existing Indebtedness:

<u>Company</u>	<u>Type</u>	<u>Maturity</u>	<u>Lender</u>	<u>Balance as of 9/24/11</u>
Sportsman's Warehouse, Inc.	Mortgage	May 2023	Midvale - Stearns Bank	\$ 2,716,249
Sportsman's Warehouse, Inc.	Mortgage	March 2016	Phoenix- Heritage Bank	5,667,381
Sportsman's Warehouse, Inc.	Mortgage	May 2015	Thornton - Beal Bank Nevada	3,966,307
Sportsman's Warehouse, Inc.	Mortgage	January 2019	Ankeny - First American Bank	2,611,808
Sportsman's Warehouse, Inc.	Mortgage	November 2015	Mesa - Heritage Bank	4,539,582
Pacific Flyway Wholesale, LLC	Capital Lease	December 2011	DeLage Landen Financial Services, Inc.	4,963.32

Schedule 10.02
Administrative Agent's Office; Certain Addresses for Notices

Administrative Agent's Office:

Wells Fargo Bank, National Association, as Administrative Agent
One Boston Place, 18th Floor
Boston, Massachusetts 02108
Attention: Mr. Peter Foley
Telephone: (617) 854-7283
Facsimile: (855) 461-3726
E-mail: peter.foley@wellsfargo.com

Certain Addresses for Notices:

1. If to any Loan Party:

Sportsman's Warehouse, Inc.
7035 South High Tech Drive
Midvale, Utah 84047
Attn: Chief Financial Officer
Telephone: (801) 304-4321
Facsimile: (801) 304-4305
E-mail: ktalbot@sportsmanswarehouse.com

with copies to:

Lindquist & Vennum PLLP
4200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Attn: Debra Page, Esq.
Telephone: (612) 371-3528
Facsimile: (612) 371-3207
E-mail: dpage@lindquist.com

and

Sportsman's Warehouse, Inc.
c/o Seidler Equity Partners
4640 Admiralty Way, Suite 1200
Marina del Rey, California 90292
Attn: General Counsel
Telephone: (213) 683-4551
Facsimile: (213) 624-0691
E-mail: mfairclough@seidlerc.com

2. If to the Administrative Agent, the Collateral Agent, the L/C Issuer or the Swing Line Lender:

Wells Fargo Bank, National Association, as Administrative Agent

One Boston Place, 18th Floor

Boston, Massachusetts 02108

Attention: Mr. Peter Foley

Telephone: (617) 854-7283

Facsimile: (855) 461-3726

E-mail: peter.foley@wellsfargo.com

with a copy to:

Riemer & Braunstein LLP

Three Center Plaza

Boston, Massachusetts 02108

Attention: Robert E. Paul, Esq.

Telephone: (617) 880-3551

Facsimile: (617) 692-3551

E-mail: rpaul@riemerlaw.com

Website address of the Lead Borrower: www.sportsmanswarehouse.com

Exhibit G

Updated Form of Borrowing Base Certificate

[see attached]

Credit Card Receivables

Credit Card Receivables as of:	/ /20		
Less: Outstanding Credit Card Fees			
Eligible Credit Card Receivables		\$	—
Advance Rate			85.0%

Total Credit Card Receivables Availability**Trade Receivables**

Trade Receivables as of:	/ /20	\$	—
Less: Ineligibles			—
Eligible Trade Receivables		\$	—
Advance Rate			85.0%

Total Trade Receivables Availability**RETAIL INVENTORY**

		At Retail	At Cost
Beginning Inventory			
Add: Purchases			
DC to Stores Inventory not in either system			
Ecommerce Inventory			
Net Markups			
Freight			
Inventory Adjustments			
Available for Sale		—	—
Less: Sales/Cost of Good Sold			
Net Markdowns			
Ending Inventory as of:	/ /20	\$	—
Less Ineligibles:			
Shrink Reserve (.50% of Ending Inventory per the August 2011 Audit)			—
Duck Stamps (Dept #23)			
Retail Below Cost			
Store Supplies, Shop Parts, Headquarter Inv, Licenses (Dept #6 101, 21, & 60)			
Other			
Total Ineligibles			\$
Eligible Retail Inventory			\$
	NOLV		
Advance Rate (lesser of (i) 90% of NOLV and (ii) 75% of Cost)	90.0%		82.9%
			74.6%
Total Retail Inventory Availability			\$

WHOLESALE INVENTORY

		At Retail	At Cost
Beginning Inventory			
Add: Purchases			
Stores to DC Inventory not in either system			
Net Markups			
Freight			
Inventory Adjustments			
Available for Sale		—	—
Less: Sales/Cost of Good Sold			
Net Markdowns			
Ending Inventory as of:	/ /20	\$	—
Less Ineligibles:			
Shrink			
Store Supplies			
Other Items			
Total Ineligibles			\$
Eligible Wholesale Inventory			\$
	NOLV		
Advance Rate (lesser of (i) 50% of NOLV and (ii) 75% of Cost)	90.0%		82.9%
			74.6%

Total Wholesale Inventory Availability	\$ —
Total Inventory Availability (Wholesale Inventory Availability and Retail Inventory Availability)	\$ —

REAL ESTATE

Loveland Property Fair Market Value

Advance Rate (to be stepped down to 45% on May 28, 2012 and 40% from May 28, 2013 through Maturity)	50.0%
---	-------

Total Real Estate Availability (Capped at \$8,000,000)	\$ —
---	------

Gross Borrowing Base Availability	\$ —
--	------

Less: Availability Reserves	as of: / /20	
Gift Certificates/Cards (50%)	as of: / /20	\$ —
Customer Deposits/Layaway (100%)		
Rent Reserve (2 Mos PA, WA, VA, TX)		
Past Due Licenses AP		
Other		

Total Availability Reserves	\$ —
------------------------------------	------

Total Borrowing Base	\$ —
-----------------------------	------

Total Capped Borrowing Base (Capped at \$95,000,000)	\$ —
---	------

AVAILABILITY CALCULATION	\$ —
---------------------------------	------

Beginning Principal Balance	as of: / /20	
ADD:	Prior days advance	
ADD:	Fees charged today	
ADD:	Legal Fees	
ADD:	Prior days requested lending	
ADD:	LIBOR Balance	
LESS:	Prior days pay down	

Ending principal balance prior to advance request	as of: / /20	—
---	--------------	---

Advance Request	—
-----------------	---

Ending Principal Balance	—
--------------------------	---

ADD:	Standby Letters of Credit	
------	---------------------------	--

ADD:	Commercial Letters of Credit	
------	------------------------------	--

Total exposure	\$ —
-----------------------	------

Net Availability After Today's Request / Pay Down	\$ —
--	------

Excess Availability (Net Borrowing Base less total exposure)	\$ —
---	------

Minimum Excess Availability Covenant - 10% of the Loan Cap	\$ —
--	------

Minimum Availability Covenant	(5,500,000)
-------------------------------	-------------

Currently #DIV/O! \$ —

Trigger to Weekly BBC (if (i) an Event of Default exists, (ii) Availability is <25% of the Loan Cap for 5 consecutive Business Days or (iii) Availability is <20% of the Loan Cap for 1 day)	
--	--

The undersigned, a Responsible Officer (as defined in the Credit Agreement referred to below) of Sportsman's Warehouse, Inc. (the "Lead Borrower"), represents and warrants that (A) the Information set forth above and the supporting documentation and information delivered herewith (i) is true and correct in all respects, (ii) has been prepared in accordance with the requirements of that certain Credit Agreement dated May 28, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement") by, among others, (1) the Lead Borrower, as agent for itself and the other Borrowers party thereto, (2) the Lenders party thereto, and (3) Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent and Collateral Agent (in such capacities, the "Agent"), and (iii) is based on supporting documentation that is satisfactory to the Agent, and (B) no Default or Event of Default (as such terms are defined in the Credit Agreement) has occurred and is continuing.

Responsible Officer

Exhibit J

Employee Stock Plan

[see attached]

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
2010 EQUITY INCENTIVE PLAN

1. PURPOSE OF THE PLAN.

The purpose of this Plan is to promote the success of Sportsman's Warehouse Holdings, Inc., a Utah corporation (the "**Corporation**") and the interests of its shareholders by providing a means through which the Corporation may issue and sell restricted stock of the Corporation to certain eligible persons designated by the Board of Directors (the "**Board**"), and to further align the interests of such eligible persons with those of the Corporation's shareholders generally.

2. ADMINISTRATION.

This Plan will be administered by, and any issuance and sale of equity of the Corporation may only be authorized by, the Board or one or more committees appointed by the Board to administer this Plan in accordance with the Corporation's Articles of Incorporation (the "**Articles**") and Bylaws, each as amended and in effect from time to time.

3. ELIGIBILITY.

The Board, in its discretion, will determine those persons eligible to acquire stock under this Plan ("**Eligible Persons**"). The initial list of Eligible Persons is included on the attached Schedule A, which the Board may amend from time to time.

In addition to the rights granted to Eligible Persons during 2010 to purchase restricted stock, the Board intends to issue and sell additional shares of restricted stock in the future to Eligible Persons (subject to the Board's discretion and the share limit in Section 4.3 below) as follows:

- Up to 4% of the Corporation's outstanding shares of capital stock after the Corporation achieves \$15 million of EBITDA (as described in Section 3(vi) of the Articles of the Corporation) during a full fiscal year;
- Up to an additional 4% of such stock after the Corporation achieves \$20 million of EBITDA during a full fiscal year; and
- The remainder of the shares allowed by Section 4.3 below from time to time, based on individual performance and contribution to the overall success of the Corporation.

4. STOCK SUBJECT TO THE PLAN.

4.1 New Class of Securities. Pursuant to this Plan, the Corporation has created a new class of securities designated as Restricted Nonvoting Common Stock, par value \$0.01 per share ("**Restricted Nonvoting Common Stock**") and authorized the issuance and sale of up to 2,400,000 shares of Restricted Nonvoting Common Stock to Eligible Persons under this Plan.

4.2 **Shares Available.** The only capital stock that may be issued under this Plan will be shares of the Corporation's authorized but unissued Restricted Nonvoting Common Stock.

4.3 **Share Limit.** The shares of Restricted Nonvoting Common Stock that may be issued under this Plan will not exceed 20% of the fully diluted Common Stock of the Corporation in the aggregate.

5. **RESTRICTED STOCK PURCHASE AGREEMENT; PURCHASE PRICE.**

5.1 **Restricted Stock Purchase Agreement.** Each purchaser of Restricted Nonvoting Common Stock under this Plan (a "**Purchaser**") will enter into a definitive Restricted Stock Purchase Agreement ("**Stock Purchase Agreement**") with the Corporation in a form approved by the Board. The Corporation may require that the spouse of any married Purchaser also promptly execute and return to the Corporation either the Stock Purchase Agreement or a spousal consent form approved by the Board.

5.2 **Purchase Price.** The purchase price for shares of Restricted Nonvoting Common Stock issued under this Plan will be equal to their fair market value, as determined in good faith by the Board in its sole discretion at the time of issuance of such shares, and will be set forth in the Stock Purchase Agreement. The purchase price must be paid in full at the time of each purchase.

5.3 **Retention of Certificates.** The Corporation may, in its sole discretion, (a) elect to hold in its possession the certificates evidencing any or all shares of Restricted Nonvoting Common Stock purchased under this Plan as security for compliance by the Purchaser with the Articles, the Stock Purchase Agreement and the Plan, including, without limitation, the redemption provisions of the Articles and the Plan; and (b) require that the Purchaser execute and deliver to the Corporation stock assignments with respect to such shares in order to assure such compliance.

6. **STOCK RESTRICTIONS.** In addition to the provisions of the Articles pertaining to Restricted Nonvoting Common Stock, and the restrictions and obligations stated in the relevant Stock Purchase Agreement, such stock issued under this Plan will be subject to the following:

6.1 **Legend.** Stock certificates evidencing Restricted Nonvoting Common Stock will bear a legend making appropriate reference to the restrictions imposed.

6.2 **Confidentiality, Non-Solicitation, Non-Competition, Etc.** Each Stock Purchase Agreement will include non-competition restrictions, non-solicitation restrictions, confidentiality restrictions, non-disparagement restrictions and other restrictive covenants as set forth in the applicable Stock Purchase Agreement.

6.3 **No Transferability.** No holder of Restricted Nonvoting Common Stock may transfer, sell, assign, pledge or otherwise encumber any share of such stock without the prior written approval of the Board, except upon exercise of the Corporation's redemption right or in connection with a Drag Sale, as defined in the Articles.

- 6.4 Redemption upon Termination of Employment.** If any holder of shares of Restricted Nonvoting Common Stock: (i) ceases for any reason or no reason to be employed by the Corporation or its affiliates, or (ii) violates any non-competition restrictions, non-solicitation restrictions, confidentiality restrictions, non-disparagement restrictions or other restrictive covenants as set forth in the applicable Stock Purchase Agreement or other agreement between such holder and the Corporation, the Corporation may redeem all (but not less than all) of such shares as provided in, and subject to the requirements of, the Articles. In either case, the valuation multiple referred to in Article 4, Section 3(vi) of the Articles with respect to any such redemption will be four (4) times EBITDA of the most recently completed fiscal year, as determined by the Board.
- 6.5 Drag Along.** The shares of Restricted Nonvoting Common Stock are subject to the “Drag Sale” provisions of the Articles.
- 6.6 Charter Documents.** The Articles and Bylaws of the Corporation, as lawfully amended from time to time, may provide for additional restrictions and limitations with respect to the Restricted Nonvoting Common Stock or priorities, rights and preferences as to securities and interests prior in rights to the Restricted Nonvoting Common Stock. To the extent that these restrictions and limitations are greater than those set forth in this Plan or any Stock Purchase Agreement, such restrictions and limitations shall apply to any shares of Restricted Nonvoting Common Stock acquired pursuant to this Plan and are incorporated herein by this reference.

7. GENERAL.

- 7.1 Compliance with Laws.** This Plan, the purchase of shares of Restricted Nonvoting Common Stock, and/or the payment of money under this Plan are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal securities laws) and to any regulatory approvals that may be advisable. Each Purchaser will, if requested by the Corporation, provide the assurances and representations the Board deems desirable to assure compliance with all applicable legal, tax and accounting requirements.
- 7.2 Compliance with Securities Laws.** No holder of Restricted Nonvoting Common Stock will sell, pledge or otherwise transfer shares of such stock or any interest in such shares except in accordance with this Plan and the applicable Stock Purchase Agreement. Any other attempted transfer will be void and of no effect. Notwithstanding anything else herein to the contrary, neither the Corporation nor any affiliate has any obligation to register the Restricted Nonvoting Common Stock or file any registration statement under either federal or state securities laws, nor does the Corporation or any affiliate make any representation concerning the likelihood of a future disposition of any Restricted Nonvoting Common Stock.
- 7.3 Plan Amendments, Termination and Suspension.** THE BOARD MAY, AT ANY TIME IN ITS SOLE AND ABSOLUTE DISCRETION, TERMINATE OR, FROM TIME TO TIME, AMEND, MODIFY OR SUSPEND THIS PLAN, IN WHOLE OR IN PART, WITHOUT NOTICE. AFTER THE TERMINATION OF THIS PLAN, NO ADDITIONAL RESTRICTED NONVOTING COMMON STOCK MAY BE ISSUED

UNDER THIS PLAN. ANY SUCH TERMINATION OF THIS PLAN WILL NOT AFFECT, IN ANY MANNER WHATSOEVER, THE RIGHTS OF THE HOLDERS OF ANY THEN-EXISTING AND ISSUED NONVOTING COMMON STOCK.

- 7.4 Privileges of Stock Ownership.** No Eligible Person or any other person will be entitled to any privilege of stock ownership as to any shares of Restricted Nonvoting Common Stock not actually purchased and held of record by the Eligible Person.
- 7.5 Effective Date of the Plan.** This Plan is effective upon its adoption by the Board, subject to approval by the shareholders of the Corporation.
- 7.6 Non-Exclusivity of Plan.** Nothing in this Plan will limit or be deemed to limit the authority of the Board to grant or authorize any other compensation, with or without reference to capital stock of the Corporation, under any other plan or authority.
- 7.7 No Restriction on Corporate Powers.** The existence of this Plan does not limit, affect or restrict in any way the right or power of the Board or the shareholders of the Corporation to make or authorize: (a) any adjustment, recapitalization, reorganization or other change in the Corporation's or any affiliate's capital structure or its business; (b) any merger, amalgamation, consolidation or change in the ownership of the Corporation or any affiliate; (c) any issue of bonds, debentures, capital, preferred or prior preference stocks ahead of or affecting the Corporation's capital stock or the rights thereof; (d) any dissolution or liquidation of the Corporation or any affiliate; (e) any sale or transfer of all or any part of the Corporation or any affiliate's assets or business; or (f) any other corporate act or proceeding by the Corporation or any affiliate. No Eligible Person or any other person will have any claim against any member of the Board or the Corporation or any employees, officers or agents of the Corporation or any affiliate, as a result of any such action.

SCHEDULE A
INITIAL ELIGIBLE PERSONS

Name:

Steve Coffey
Matt French
Larry Knight
Jeremy Sage
John Schaefer
Karen Seaman
Kevan Talbot
Chris Utgaard
Mike VanOrden

SECOND AMENDMENT TO CREDIT AGREEMENT

This Second Amendment to Credit Agreement (this "Amendment") is made as of November 13, 2012, by and among:

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (the "Lead Borrower");

the Persons named on Schedule I hereto (together with the Lead Borrower, individually, a "Borrower", and collectively, the "Borrowers");

the Persons named on Schedule II hereto (individually, a "Guarantor", and collectively, the "Guarantors", and together with the Borrowers, individually, a "Loan Party", and collectively, the "Loan Parties");

the LENDERS party hereto; and

WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent, and Swing Line Lender;

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to that certain Credit Agreement, dated as of May 28, 2010 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), by and among the Loan Parties, the Lenders party thereto from time to time, and Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender;

WHEREAS, the parties hereto have agreed to amend certain provisions of the Credit Agreement as set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Capitalized terms used in this Amendment shall have the respective meanings assigned to such terms in Credit Agreement unless otherwise defined herein.
2. Amendments to Credit Agreement.
 - (a) Composite Credit Agreement. The Credit Agreement is hereby amended to delete the bold, stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold, double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.
 - (b) Schedules to Credit Agreement.

- (i) Each of the following schedules to the Credit Agreement is hereby amended by deleting such schedule in its entirety and restating it in its entirety in the form of the corresponding schedule in Exhibit B attached hereto: Schedules 2.01, 5.05, 5.06, 5.07, 5.08(b)(1), 5.08(b)(2), 5.09, 5.10, 5.13, 5.17, 5.18, 5.21(a), 5.21(b), 5.24, 7.01, 7.02, 7.03, and 10.02.
 - (ii) Schedule 1.01(b) to the Credit Agreement is hereby deleted in its entirety.
 - (c) Exhibits to Credit Agreement, Exhibit G to the Credit Agreement is hereby amended by deleting such exhibit in its entirety and restating it in its entirety in the form of Exhibit G attached hereto as Exhibit C.
3. Ratification of Loan Documents. Except as otherwise expressly provided herein, all terms and conditions of the Credit Agreement, the Security Agreement and the other Loan Documents remain in full force and effect. The Loan Parties hereby ratify, confirm, and reaffirm that all representations and warranties of the Loan Parties contained in the Credit Agreement, the Security Agreement and each other Loan Document are true and correct in all material respects on and as of the date hereof, except to the extent that (x) such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects on and as of such earlier date, or (y) such representations and warranties are subject to “materiality” or “Material Adverse Effect” or similar language, in which case they are true and correct in all respects. The Guarantors hereby acknowledge, confirm and agree that the Guaranteed Obligations of the Guarantors under, and as defined in, the Facility Guaranty include, without limitation, all Obligations of the Loan Parties at any time and from time to time outstanding under the Credit Agreement and the other Loan Documents, as such Obligations have been amended pursuant to this Amendment. The Loan Parties hereby acknowledge, confirm and agree that the Security Documents and any and all Collateral previously pledged to the Collateral Agent, for the benefit of the Credit Parties, pursuant thereto, shall continue to secure all applicable Obligations of the Loan Parties at any time and from time to time outstanding under the Credit Agreement and the other Loan Documents.
4. Conditions to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been fulfilled to the reasonable satisfaction of the Administrative Agent:
- (a) The Administrative Agent shall have received counterparts of this Amendment duly executed and delivered by each of the parties hereto.
 - (b) All action on the part of the Loan Parties necessary for the valid execution, delivery and performance by the Loan Parties of this Amendment and the documents, instruments and agreements to be executed in connection herewith shall have been duly and effectively taken and evidence thereof reasonably

satisfactory to the Administrative Agent shall have been provided to the Administrative Agent.

- (c) (i) The Term Loan Agreement shall have been entered into and shall be in form and substance satisfactory to the Administrative Agent, and contemporaneously herewith, the Borrowers shall have received at least \$125,000,000 of gross proceeds from the term loan made pursuant to the Term Loan Agreement, (ii) a Responsible Officer of the Lead Borrower shall have delivered a certificate to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, which certificate shall attach the Term Loan Agreement, any related documents and all other Term Loan Documents and certify that such documents are true, correct and complete copies of all Term Loan Documents, and (iii) the Term Loan Agreement shall be in full force and effect and no default or event of default shall exist under the Term Loan Agreement, or would result from the consummation of the transactions hereunder.
- (d) The Intercreditor Agreement shall have been duly executed by all parties thereto and delivered to the Administrative Agent, and shall be in form and substance satisfactory to the Administrative Agent.
- (e) The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent and duly executed by the Borrowers, a Note in favor of each Lender requesting a Note and reflecting the Commitment of such Lender after giving effect to this Amendment.
- (f) The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent and duly executed by the Loan Parties, an amendment to the Security Agreement setting for certain amendments described therein.
- (g) The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent and duly executed by the applicable Loan Parties, a short-form grant of security interest with respect to certain Trademarks (as defined in the Security Agreement) described therein.
- (h) The Administrative Agent shall have received favorable opinions of Reed Smith LLP, counsel to the Loan Parties, Ray, Quinney & Nebeker, special Utah counsel to the Loan Parties, and Lindquist & Vennum P.L.L.P., special Minnesota counsel to the Loan Parties, in each case addressed to the Administrative Agent and each other Credit Party, as to such matters concerning the Loan Parties, this Amendment and the other Loan Documents as the Administrative Agent may reasonably request.

- (i) The Loan Parties shall have paid in full all reasonable costs and expenses of the Agents (including, without limitation, reasonable attorneys' fees) in connection with the preparation, negotiation, execution and delivery of this Amendment and related documents.
 - (j) The Administrative Agent shall have received an updated Borrowing Base Certificate reflecting the Borrowing Base as of the date hereof (after giving effect to this Amendment) and executed by a Responsible Officer of the Lead Borrower.
 - (k) No Default or Event of Default shall have occurred and be continuing.
 - (l) The Administrative Agent shall have received such additional documents, instruments, and agreements as any Agent may reasonably request in connection with the transactions contemplated hereby.
5. Post-Closing Covenant. On or before December 2, 2012 (or such later date as the Administrative Agent may agree in its sole discretion), the Loan Parties shall deliver to the Administrative Agent, in form and substance reasonably satisfactory to the Administrative Agent, evidence that all insurance endorsements required under the Loan Documents (including, without limitation, lender's loss payable endorsements, additional insured endorsements and notice of cancellation endorsements) have been obtained and are in effect. Notwithstanding anything to the contrary, the Loan Parties acknowledge and agree that the failure of the Loan Parties to comply with any provision of this Section 5 shall constitute an immediate Event of Default pursuant to Section 8.01(b) of the Credit Agreement.
6. Representations and Warranties.
- (a) The execution, delivery and performance by each Loan Party of this Amendment and the performance of each Loan Party's obligations hereunder have been duly authorized by all necessary corporate or other organizational action, do not and shall not: (i) contravene the terms of any of such Person's Organization Documents; (ii) conflict with or result in any breach, termination, or contravention of, or constitute a default under, or require any payment to be made under (x) any Material Contract or any Material Indebtedness to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (iii) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Collateral Agent under the Security Documents); or (iv) violate any Law.
 - (b) This Amendment has been duly executed and delivered by each Loan Party. This Amendment constitutes a legal, valid and binding obligation of each Loan Party,

enforceable against each Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

- (c) After giving effect to the transactions contemplated by this Amendment and the Term Loan Documents (including, without limitation, the making of the Restricted Payment described in Section 7.06(d) of the Credit Agreement), the Loan Parties, on a Consolidated basis, are and will be Solvent. No transfer of property has been or will be made by any Loan Party and no obligation has been or will be incurred by any Loan Party in connection with the transactions contemplated by this Amendment or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of any Loan Party.
- (d) There has been no event or circumstance since January 28, 2012 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (e) No consents, licenses or approvals are required in connection with the execution, delivery and performance by any Loan Party, and the validity against such Loan Party, of this Amendment or any other Loan Document to which it is a party.
- (f) No Default or Event of Default has occurred and is continuing.

7. Miscellaneous.

- (a) Each of the Loan Parties hereby acknowledges and agrees that it has no offsets, defenses, claims, or counterclaims against the Agents, the other Credit Parties, or their respective parents, affiliates, predecessors, successors, or assigns, or their officers, directors, employees, attorneys, or representatives, with respect to the Obligations, and that if any of the Loan Parties now has, or ever did have, any offsets, defenses, claims, or counterclaims against such Persons, whether known or unknown, at law or in equity, from the beginning of the world through this date and through the time of execution of this Amendment, all of them are hereby expressly WAIVED, and each of the Loan Parties hereby RELEASES such Persons from any liability therefor.
- (b) This Amendment may be executed in several counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Amendment by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

- (c) This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.
- (d) If any provision of this Amendment is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
- (e) The Loan Parties represent and warrant that they have consulted with independent legal counsel of their selection in connection with this Amendment and are not relying on any representations or warranties of the Agents or the other Credit Parties or their respective counsel in entering into this Amendment.
- (f) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have hereunto caused this Amendment to be executed and their seals to be hereto affixed as of the date first above written.

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, as
Lead Borrower and as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP., a Minnesota
corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited
liability company, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to Second Amendment to Credit Agreement

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah
corporation, as a Guarantor

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

Signature Page to Second Amendment to Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
successor by merger to Wells Fargo Retail Finance, LLC), as
Administrative Agent, Collateral Agent, Lender and Swing
Line Lender

By: /s/ Peter Foley _____

Name: Peter Foley _____

Title: Duly Authorized Signatory _____

Signature Page to Second Amendment to Credit Agreement

Schedule I

Borrowers other than the Lead Borrower

Sportsman's Warehouse Southwest, Inc.
Minnesota Merchandising Corp.
Pacific Flyway Wholesale, LLC

Schedule II

Guarantors

Sportsman's Warehouse Holdings, Inc.

Exhibit A

Composite Credit Agreement

[see attached]

CREDIT AGREEMENT

Dated as of May 28, 2010

(As Amended October 27, 2011 and November 13, 2012)

among

SPORTSMAN'S WAREHOUSE, INC.,
as the Lead Borrower

For

The Borrowers ~~Named Herein~~ Party Hereto

THE BORROWERS PARTY HERETO

THE GUARANTORS PARTY HERETO

WELLS FARGO BANK, NATIONAL ASSOCIATION,
(as successor by merger to Wells Fargo Retail Finance, LLC)
as Administrative Agent, Collateral Agent, Swing Line Lender,

and

~~The Other Lenders Party Hereto~~

THE LENDERS PARTY HERETO

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CREDIT AGREEMENT

This CREDIT AGREEMENT (“Agreement”) is entered into as of May 28, 2010, among SPORTSMAN’S WAREHOUSE, INC., a Utah corporation (the “Lead Borrower”), the Persons named on Schedule 1.01(a) hereto (collectively, the “Borrowers”), each lender from time to time party hereto (collectively, the “Lenders” and individually, a “Lender”), and

WELLS FARGO BANK, NATIONAL ASSOCIATION, (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent, and Swing Line Lender.

The Borrowers have requested that the Lenders provide a revolving credit facility, and the Lenders have indicated their willingness to lend and Agent has indicated its willingness to cause the L/C Issuer to issue Letters of Credit, in each case on the terms and conditions set forth herein.

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

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

“Accelerated Borrowing Base Delivery Event” means either (i) the occurrence and continuance of any Event of Default, or (ii) the failure of the Borrowers to maintain Availability at least equal to twenty-five percent (25%) of the Loan Cap for five (5) consecutive Business Days, or (iii) the failure of the Borrowers to maintain Availability at least equal to twenty percent (20%) of the Loan Cap at any time. For purposes of this Agreement, the occurrence of an Accelerated Borrowing Base Delivery Event shall be deemed continuing at the Administrative Agent’s option (i) so long as such Event of Default has not been waived, and/or (ii) if the Accelerated Borrowing Base Delivery Event arises as a result of the Borrowers’ failure to achieve Availability as required hereunder, until Availability has exceeded twenty-five percent (25%) of the Loan Cap for forty-two (42) consecutive calendar days, in which case an Accelerated Borrowing Base Delivery Event shall no longer be deemed to be continuing for purposes of this Agreement. The termination of an Accelerated Borrowing Base Delivery Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Accelerated Borrowing Base Delivery Event in the event that the conditions set forth in this definition again arise.

“ACH” means automated clearing house transfers.

“Accommodation Payment” as defined in Section 10.21(d).

“Account” means “accounts” as defined in the UCC, and also means 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, (c) for a policy of insurance issued or to be issued, (d) for a secondary obligation incurred or to be incurred, (e)

for energy provided or to be provided, (f) for the use or hire of a vessel under a charter or other contract, (g) arising out of the use of a credit or charge card or information contained on or for use with the card, or (h) as winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state. The term "Account" includes health-care-insurance receivables.

"Acquisition" means, with respect to any Person (a) an Investment in, or a purchase of a Controlling interest in, the Equity Interests of any other Person, (b) a purchase or other acquisition of all or substantially all of the assets or properties of, another Person or of any business unit of another Person, or (c) any merger or consolidation of such Person with any other Person or other transaction or series of transactions resulting in the acquisition of all or substantially all of the assets, or a Controlling interest in the Equity Interests, of any Person, in each case in any transaction or group of transactions which are part of a common plan. Notwithstanding the foregoing, in no event will any Plan Redemption Payment be construed to be an Acquisition for purposes of this Agreement.[±]

"Act" shall have the meaning provided in Section 10.18.

"Additional Payment Conditions" means satisfaction of the following, with respect to any Acquisition: (i) No Event of Default has occurred and is continuing or would result after giving effect to the consummation of such Acquisition, and (ii) (a) at all times during the 90 day period immediately preceding the consummation of such Acquisition and (b) immediately after giving effect to the consummation of such Acquisition, Availability shall not be less than 30% of the Loan Cap and (iii) the Administrative Agent shall have received projections reasonably satisfactory to the Administrative Agent as determined on a pro forma basis, for the 180 day period immediately following the consummation of such Acquisition (after giving pro-forma effect thereto), that reflect the Borrowers collectively shall have Availability of at least 30% of the Loan Cap; it being understood and agreed that it shall not constitute a breach of this requirement if Availability subsequently is less than 30% of the Loan Cap so long as the projection thereof is based on the good faith estimate of the Borrowers at the time of such payment.[±] Prior to undertaking any transaction or payment which is subject to the Additional Payment Conditions, the Loan Parties shall deliver to the Administrative Agent evidence of satisfaction of the conditions contained in clause (ii) above on a basis (including, without limitation, giving due consideration to results for prior periods) reasonably satisfactory to the Administrative Agent.

"Adjusted LIBO Rate" means:

[±] First Amendment

[±] First Amendment

(a) for any Interest Period with respect to any LIBO Borrowing, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of one percent) equal to (i) the LIBO Rate for such Interest Period multiplied by (ii) the Statutory Reserve Rate; and

(b) for any interest rate calculation with respect to any Base Rate Loan, an interest rate per annum (rounded upwards, if necessary, to the next 1/100 of one percent) equal to (i) the LIBO Rate for an Interest Period commencing on the date of such calculation and ending on the date that is thirty (30) days thereafter multiplied by (ii) the Statutory Reserve Rate.

The Adjusted LIBO Rate will be adjusted automatically as of the effective date of any change in the Statutory Reserve Rate.

“Adjustment Date” means the first day of each Fiscal Quarter, commencing October 31, 2010.

“Administrative Agent” means Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC) in its capacity as administrative agent under any of the Loan Documents, or any successor administrative agent.

“Administrative Agent’s Office” means the Administrative Agent’s address and, as appropriate, account as set forth on Schedule 10.02, or such other address or account as the Administrative Agent may from time to time notify the Lead Borrower and the Lenders.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affiliate” means, with respect to any Person, (i) another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified, (ii) any director, officer, managing member, partner, trustee, or beneficiary of that Person, (iii) any other Person directly or indirectly holding 20% or more of any class of the Equity Interests of that Person, and (iv) any other Person 20% or more of any class of whose Equity Interests is held directly or indirectly by that Person.

“Agent(s)” means, individually, the Administrative Agent or the Collateral Agent, and collectively means both of them.

“Agent Parties” shall have the meaning specified in Section 10.02(c).

“Aggregate Commitments” means the Commitments of all the Lenders. As of the Second Amendment Effective Date, the Aggregate Commitments are \$60,000,000.

“Agreement” means this Credit Agreement.

“Allocable Amount” has the meaning specified in Section 10.21(d).

“Applicable Lenders” means the Required Lenders, all affected Lenders, or all Lenders, as the context may require.

“Applicable Margin” means:

(a) From and after the Closing Date until the first Adjustment Date, the percentages set forth in Level II of the pricing grid below; and

(b) From and after the first Adjustment Date and on each Adjustment Date thereafter, the Applicable Margin shall be determined from the following pricing grid based upon the Average Daily Availability as of the Fiscal Quarter ended immediately preceding such Adjustment Date; provided, however, that notwithstanding anything to the contrary set forth herein, upon the occurrence and continuation of an Event of Default, the Administrative Agent may, and at the direction of the Required Lenders shall, immediately increase the Applicable Margin to that set forth in Level III (even if the Average Daily Availability requirements for a different Level have been met) and interest shall accrue at the Default Rate: provided further if any Borrowing Base Certificates are at any time restated or otherwise revised (including as a result of an audit) or if the information set forth in any Borrowing Base Certificates 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 immediately recalculated at such higher rate for any applicable periods and shall be due and payable on demand.

<u>Level</u>	<u>Average Daily Availability</u>	<u>LIBOR Margin</u>	<u>Base Rate Margin</u>
I	Greater than or equal to 50% of the Loan Cap	1.75%	0.75%
II	Greater than or equal to 25% of the Loan Cap but less than 50% of the Loan Cap	2.00%	1.00%
III	Less than 25% of the Loan Cap	2.25%	1.25%

“Applicable Percentage” means with respect to any Lender at any time, the percentage (carried out to the ninth decimal place) of the Aggregate Commitments represented by such Lender’s Commitment at such time. If the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02 or if the Aggregate

³ First Amendment

Commitments have expired, then the Applicable Percentage of each Lender shall be determined based on the Applicable Percentage of such Lender most recently in effect, giving effect to any subsequent assignments. The initial Applicable Percentage of each Lender is set forth opposite the name of such Lender on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender becomes a party hereto, as applicable.

“Applicable Rate” means, at any time of calculation, (a) with respect to Commercial Letters of Credit, a per annum rate equal to the Applicable Margin for Loans which are LIBOR Rate Loans less .50%, and (b) with respect to Standby Letters of Credit, a per annum rate equal to the Applicable Margin for Loans which are LIBOR Rate Loans.

“Appraisal Percentage” means 90%.⁴

“Appraised Value” means ~~(a), with respect to the Borrowers’ Eligible Inventory, the appraised orderly liquidation value, net of costs and expenses to be incurred in connection with any such liquidation, which value is expressed as a percentage of Cost of the Borrowers’ Eligible Inventory as set forth in the Borrowers’ inventory stock ledger, which value shall be determined from time to time by the most recent appraisal undertaken by an independent appraiser engaged by the Administrative Agent, or (b) with respect to the Borrowers’ Eligible Real Estate, the fair market value of the Borrowers’ Eligible Real Estate as set forth in the most recent appraisal of the Borrowers’ Eligible Real Estate as determined from time to time by an independent appraiser engaged by the Administrative Agent, which appraisal shall assume, among other things, a marketing time of not greater than twelve (12) months or less than three (3) months; provided that the Appraised Value of Eligible Real Estate shall in no event exceed the maximum amount of the Obligations at anytime specified to be secured by a Mortgage thereon.~~

“Approved Fund” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender, (c) an entity or an Affiliate of an entity that administers or manages a Lender or (d) the same investment advisor or an advisor under common control with such Lender, Affiliate or advisor, as applicable.

“Assignee Group” means two or more Eligible Assignees that are Affiliates of one another or two or more Approved Funds managed by the same investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 10.06(b)), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

⁴ First Amendment

“Attributable Indebtedness” means, on any date, (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease or similar payments under the relevant lease or other applicable agreement or instrument that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease, agreement or instrument were accounted for as a capital lease.

“Audited Financial Statements” means the audited consolidated balance sheet of the Parent and its Subsidiaries for the twenty-four (24) week period ended January 30, 2010, and the related consolidated statements of income or operations, Shareholders’ Equity and cash flows for such fiscal year of the Parent and its Subsidiaries, including the notes thereto.

~~“Auto-Extension Letter of Credit” shall have the meaning specified in Section 2.02(b)(iii).~~

“Availability” means, as of any date of determination thereof by the Administrative Agent, the result, if a positive number, of:

(a) The Loan Cap

Minus

(b) The aggregate unpaid balance of Credit Extensions to, or for the account of, the Borrowers.

In calculating Availability at any time and for any purpose under this Agreement, the Lead Borrower shall certify to the Administrative Agent that all accounts payable and Taxes are being paid on a timely basis (absent which the Administrative Agent may establish a Reserve therefor).

“Availability Period” means the period from and including the Closing Date to the earliest of (a) the Maturity Date, (b) the date of termination of the Aggregate Commitments pursuant to Section 2.06, and (c) the date of termination of the commitment of each Lender to make Loans and of the obligation of the L/C Issuer to make L/C Credit Extensions pursuant to Section 8.02.

“Availability Reserves” means, without duplication of any other Reserves or items to the extent such items are otherwise addressed or excluded through eligibility criteria, such reserves as the Administrative Agent from time to time determines in its reasonable business discretion as being appropriate (a) to reflect the impediments to the Agents’ ability to realize upon the Collateral, (b) to reflect claims and liabilities that the Administrative Agent determines will need to be satisfied in connection with the realization upon the Collateral, (c) to reflect criteria, events, conditions, contingencies or risks which adversely affect any component of the Borrowing Base, or the assets, business, financial performance or financial condition of any Loan Party, or (d) to reflect that a Default or an Event of Default then exists. Without limiting the generality of the foregoing, Availability Reserves may include, in the Administrative Agent’s reasonable business discretion, (but are not limited to) reserves based on: (i) rent; (ii) customs duties, and other costs to release Inventory which is being

imported into the United States, to the extent such Inventory is included in Eligible Inventory; (iii) outstanding Taxes and other governmental charges, including, without limitation, ad valorem, real estate, personal property, sales, and other Taxes which may have priority over the interests of the Collateral Agent in the Collateral; (iv) salaries, wages and benefits due to employees of any Borrower, (v) Customer Credit Liabilities, (vi) reserves for reasonably anticipated changes in the Appraised Value of Eligible Inventory between appraisals, (vii) warehousemen's or bailee's charges and other Permitted Encumbrances which may have priority over the interests of the Collateral Agent in the Collateral, (viii) amounts due to vendors on account of consigned goods, (ix) Cash Management Reserves, (x) Bank Products Reserves, and (xi) the Debt Maturity Reserve, ~~and (xii) Realty Reserves.~~

"Average Daily Availability" shall mean the average daily Availability for the immediately preceding three month period.

"Bank Products" means any services ~~or~~ facilities provided to any Loan Party by the Administrative Agent or any of its Affiliates (but excluding Cash Management Services) including, without limitation, on account of (a) Swap Contracts, (b) purchase cards, (c) merchant services constituting a line of credit and (d) leasing, (c) leasing, (d) Factored Receivables, and (e) supply chain finance services including, without limitation, trade payable services and supplier accounts receivable purchases.

"Bank Products Reserves" means such reserves as the Administrative Agent from time to time determines in its discretion as being appropriate to reflect the liabilities and obligations of the Loan Parties with respect to Bank Products then provided or outstanding.

"Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of Delaware.

"Base Rate" means, for any day, a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%), (b) the Adjusted LIBO Rate plus one percent (1.00%), or (c) the rate of interest in effect for such day as publicly announced from time to time by Wells Fargo as its "prime rate." The "prime rate" is a rate set by Wells Fargo based upon various factors including Wells Fargo's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such rate announced by Wells Fargo shall take effect at the opening of business on the day specified in the public announcement of such change.

"Base Rate Loan" means a Loan that bears interest based on the Base Rate.

"Blocked Account" has the meaning provided in Section 6.13(a)(~~iii~~).

"Blocked Account Agreement" means with respect to an account established by a Loan Party, an agreement, in form and substance satisfactory to the Collateral Agent, establishing control (as defined in

the UCC) of such account by the Collateral Agent and whereby the bank maintaining such account agrees, upon the occurrence and during the continuance of a Cash Dominion Event, to comply only with the instructions originated by the Collateral Agent without the further consent of any Loan Party.

“Blocked Account Bank” means each bank with whom deposit accounts are maintained in which any funds of any of the Loan Parties from one or more DDAs are concentrated and with whom a Blocked Account Agreement has been, or is required to be, executed in accordance with the terms hereof. Borrowers’ accounts maintained with Bank of America, N.A. shall only be considered as a Blocked Account if (i) more than one Store deposits funds into such Account, or (ii) such account has not been transferred to Wells Fargo within nine (9) months after the Closing Date.

“Borrower Materials” has the meaning specified in Section 6.02.

“Borrowers” has the meaning specified in the introductory paragraph hereto.

“Borrowing” means a Committed Borrowing or a Swing Line Borrowing, as the context may require.

“Borrowing Base” means, at any time of calculation, an amount equal to:

(a) the face amount of Eligible Credit Card Receivables multiplied by the Credit Card Advance Rate;

plus

(b) the lesser of (i) the Cost of Eligible Inventory, net of Inventory Reserves, multiplied by the product of (A) Appraisal Percentage multiplied by (B) the Appraised Value of Eligible Inventory, or (ii) the Cost of Eligible Inventory, net of Inventory Reserves, multiplied by the Inventory Advance Rate;

plus

~~(c) the lesser of (i) the Real Estate Advance Rate multiplied by the Appraised Value of Eligible Real Estate, or (ii) the Real Estate Cap;~~

~~plus~~

~~(d) the Receivables Advance Rate multiplied by the face amount of Eligible Trade Receivables (net of Receivables Reserves applicable thereto);~~

~~minus~~

~~(e)~~ the then current amount of all Availability Reserves.

“Borrowing Base Certificate” means a certificate substantially in the form of Exhibit G hereto (with such changes therein as may be required by the Administrative Agent to reflect the components of and reserves against the Borrowing Base as provided for hereunder from time to time), executed and certified as accurate and complete by a Responsible Officer of the Lead Borrower which shall include

appropriate exhibits, schedules, supporting documentation, and additional reports as reasonably requested by the Administrative Agent.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the state where the Administrative Agent’s Office is located and, if such day relates to any LIBO Rate Loan, means any such day on which dealings in Dollar deposits are conducted by and between banks in the London interbank market.

“Cash Dominion Event” means either (i) the occurrence and continuance of any Event of Default, or (ii) the failure of the Borrowers to maintain Availability at least equal to twenty-five percent (25%) of the Loan Cap for five (5) consecutive Business Days, or (iii) the failure of the Borrowers to maintain Availability at least equal to twenty percent (20%) of the Loan Cap at any time. For purposes of this Agreement, the occurrence of a Cash Dominion Event shall be deemed continuing at the Agent’s option (i) so long as such Event of Default has not been waived, and/or (ii) if the Cash Dominion Event arises as a result of the Borrowers’ failure to achieve Availability as required hereunder, until Availability has exceeded 25% of the Loan Cap for ninety (90) consecutive Business Days, in which case a Cash Dominion Event shall no longer be deemed to be continuing for purposes of this Agreement; provided that a Cash Dominion Event shall be deemed continuing (even if an Event of Default is no longer continuing and/or Availability exceeds the required amount for ninety (90) consecutive Business Days) at all times after a Cash Dominion Event has occurred and been discontinued on two (2) occasions after the Second Amendment Effective Date. The termination of a Cash Dominion Event as provided herein shall in no way limit, waive or delay the occurrence of a subsequent Cash Dominion Event in the event that the conditions set forth in this definition again arise.

“Capital Expenditures” means, with respect to any Person for any period, (a) all expenditures made (whether made in the form of cash or other property) or costs incurred for the acquisition or improvement of fixed or capital assets of such Person (excluding normal replacements and maintenance which are properly charged to current operations), in each case that are (or should be) set forth as capital expenditures in a Consolidated statement of cash flows of such Person for such period, in each case prepared in accordance with GAAP, and (b) Capital Lease Obligations incurred by a Person during such period.

“Capital Lease Obligations” means, with respect to any Person for any period, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as liabilities on a balance sheet of such Person under GAAP and the amount of which obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“Cash Collateral Account” means a non-interest bearing account in the name of the Collateral Agent (or as the Collateral Agent shall otherwise direct) and under the sole and exclusive dominion and control of the Collateral Agent, in which deposits are required to be made in accordance with Section 2.03(gk) or 8.02(c).

“Cash Collateralize” has the meaning specified in Section 2.03(gk).

“Cash Flow Payment” means the payments by the Borrowers to each Holder of an Allowed General Unsecured Claim (as defined in the Plan of Reorganization) as described on Exhibit D (Cash Flow Payment Term Sheet) to the Plan of Reorganization.

“Cash Management Reserves” means such reserves as the Administrative Agent, from time to time, determines in its reasonable business discretion as being appropriate to reflect the reasonably anticipated liabilities and obligations of the Loan Parties with respect to Cash Management Services then provided or outstanding.

“Cash Management Services” means any one or more of the following types or services or facilities provided to any Loan Party by the Administrative Agent or any of its Affiliates: (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 or debit cards, (e) credit card processing services, (f) purchase cards and (g) merchant services not constituting a Bank Product.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. § 9601 et seq.

“CERCLIS” means the Comprehensive Environmental Response, Compensation, and Liability Information System maintained by the United States Environmental Protection Agency.

“CFC” means a Person that is a controlled foreign corporation under Section 957 of the Code.

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided however, for purposes of this Agreement, (i) that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines 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 Canadian foreign regulatory authorities, in each case pursuant to Basel III, are deemed to have gone into effect and been adopted after the Closing Date, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“Change of Control” means (a) any event, transaction or occurrence as a result of which (i) Seidler Equity Partners III, L.P. and its Investment Affiliates cease to own and control, collectively, all of the economic

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and voting rights associated with ownership of at least fifty-one percent (51%) of all of the outstanding limited partnership interests of Sponsor and SEP SWH Holdings, L.P and, through that ownership, Seidler Equity Partners III, L.P. and its Investment Affiliates ceases to own and control, collectively, all of the economic and voting rights associated with ownership of at least fifty-one percent (51%) of all classes of the outstanding capital Stock of the Parent on a fully diluted basis, (ii) the Parent ceases to own and control all of the economic and voting rights associated with all of the outstanding capital Stock of the Lead Borrower, or (iii) the Lead Borrower ceases to own and control all of the economic and voting rights associated with all of the outstanding capital Stock of any of its Subsidiaries.

“Chapter 11 Cases” means collectively, the voluntary petitions for relief of the Borrowers filed on March 21, 2009 under Chapter 11 of the Bankruptcy Code with the Bankruptcy Court, Chapter 11 Case No. 09-10990.

“Closing Date” means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 10.01.

“Code” means the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended and in effect.

“Collateral” means any and all “Collateral” or “Mortgaged Property” as defined in any applicable Security Document and all other property that is to be subject to Liens in favor of the Collateral Agent under the terms of the Security Documents.

“Collateral Access Agreement” means an agreement reasonably satisfactory in form and substance to the Agents executed by (a) a bailee or other Person in possession of Collateral, and (b) each landlord of Real Estate leased by any Loan Party, pursuant to which such Person (i) acknowledges the Collateral Agent’s Lien on the Collateral, (ii) releases such Person’s Liens in the Collateral held by such Person or located on such Real Estate, (iii) provides the Collateral Agent with access to the Collateral held by such bailee or other Person or located in or on such Real Estate, (iv) as to any landlord, provides the Collateral Agent with a reasonable time to sell and dispose of the Collateral from such Real Estate, and (v) makes such other agreements with the Collateral Agent as the Agents may reasonably require.

“Collateral Agent” means Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), acting in such capacity for its own benefit and the ratable benefit of the other Credit Parties.

“Collection Account” has the meaning provided in Section 6.13(b).

“Commercial Letter of Credit” means any Letter of Credit issued for the purpose of providing the primary payment mechanism in connection with the purchase of any materials, goods or services by a Borrower in the ordinary course of business of such Borrower.

“Commercial Letter of Credit Agreement” means the Commercial Letter of Credit Agreement relating to the issuance of a Commercial Letter of Credit in the form from time to time in use by the L/C Issuer.

“Commitment” means, as to each Lender, its obligation to (a) make Committed Loans to the Borrowers pursuant to Section 2.01, (b) purchase participations in L/C Obligations, and (c) purchase participations in Swing Line Loans, in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 2.01 or in the Assignment and Assumption 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.

“Committed Borrowing” means a borrowing consisting of simultaneous Committed Loans of the same Type and, in the case of LIBO Rate Loans, having the same Interest Period made by each of the Lenders pursuant to Section 2.01.

“Committed Loan” has the meaning specified in Section 2.01.

“Committed Loan Notice” means a notice of (a) a Committed Borrowing, (b) a conversion of Committed Loans from one Type to the other, or (c) a continuation of LIBO Rate Loans, pursuant to 2.01(a), which, if in writing, shall be substantially in the form of Exhibit A.

“Compliance Certificate” means a certificate substantially in the form of Exhibit D.

~~“Concentration Account” has the meaning provided in Section 6.13(b).~~

“Confirmation Order” means the order of the Bankruptcy Court, dated July 30, 2009, approving and confirming the Plan of Reorganization in the Chapter 11 Cases.

“Consent” means actual consent given by a Lender from whom such consent is sought; or the passage of seven (7) Business Days from receipt of written notice to a Lender from the Administrative Agent of a proposed course of action to be followed by the Administrative Agent without such Lender’s giving the Administrative Agent written notice of that Lender’s objection to such course of action.

“Consolidated” means, when used to modify a financial term, test, statement, or report of a Person, the application or preparation of such term, test, statement or report (as applicable) based upon the consolidation, in accordance with GAAP, of the financial condition or operating results of such Person and its Subsidiaries.

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

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

“Cost” means the lower of cost or market value of Inventory, based upon the Borrowers’ accounting practices, known to the Administrative Agent, which practices are in effect on the Closing Date as such calculated cost is determined from invoices received by the Borrowers, the Borrowers’ purchase

journals or the Borrowers' stock ledger. "Cost" does not include inventory capitalization costs or other non-purchase price charges (such as freight) used in the Borrowers' calculation of cost of goods sold.

"Credit Card Advance Rate" means ~~85~~90%.

"Credit Card Notifications" has the meaning provided in Section 6.13(a)(iii).

"Credit Card Receivables" means each "Account" (as defined in the UCC) together with all income, payments and proceeds thereof, owed by a major credit or debit card issuer (including, but not limited to, Visa, MasterCard, Discover and American Express and such other issuers approved by the Administrative Agent) to a Loan Party resulting from charges by a customer of a Loan Party on credit or debit cards issued by such issuer in connection with the sale of goods by a Loan Party, or services performed by a Loan Party, in each case in the ordinary course of its business.

"Credit Extensions" mean each of the following: (a) a Borrowing and (b) an L/C Credit Extension.

"Credit Party" or "Credit Parties" means (a) individually, (i) each Lender and its Affiliates, (ii) each Agent, (iii) each L/C Issuer, (iv) each beneficiary of each indemnification obligation undertaken by any Loan Party under any Loan Document, (v) any other Person to whom Obligations under this Agreement and other Loan Documents are owing, and (vi) the successors and assigns of each of the foregoing, and (b) collectively, all of the foregoing.

"Credit Party Expenses" means, without limitation, (a) all reasonable out-of-pocket expenses incurred by the Agents and their respective Affiliates, in connection with this Agreement and the other Loan Documents, including without limitation (i) the reasonable fees, charges and disbursements of (A) counsel for the Agents, (B) outside consultants for the Agents, (C) appraisers, (D) commercial finance examinations, and (E) all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Obligations, (ii) in connection with (A) the syndication of the credit facilities provided for herein, (B) the preparation, negotiation, administration, management, execution and delivery of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (C) the enforcement or protection of their rights in connection with this Agreement or the Loan Documents or efforts to preserve, protect, collect, or enforce the Collateral, or (D) any workout, restructuring or negotiations in respect of any Obligations, and (iii) all customary fees and charges (as adjusted from time to time) of the Agents with respect to the disbursement of funds (or the receipt of funds) to or for the account of Borrowers (whether by wire transfer or otherwise), together with any out-of-pocket costs and expenses incurred in connection therewith, and (b) with respect to the L/C Issuer, and its Affiliates, all reasonable out-of-pocket expenses incurred in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder; and (c) all reasonable out-of-pocket expenses incurred by the Credit Parties who are not the Agents, the L/C Issuer or any Affiliate of any of them, after the occurrence and during the continuance of an Event of Default, provided that such Credit Parties shall be entitled to reimbursement for no more than one counsel representing all such Credit Parties (absent a conflict of interest in which case the Credit Parties may engage and be reimbursed for additional counsel).

“Customer Credit Liabilities” means at any time, the aggregate remaining value at such time of (a) outstanding gift certificates and gift cards of the Borrowers entitling the holder thereof to use all or a portion of the certificate or gift card to pay all or a portion of the purchase price for any Inventory, (b) outstanding merchandise credits of the Borrowers, (c) layaway obligations of the Borrowers, and (d) liabilities in connection with frequent shopping programs of the Borrowers.

“Customer Deposits” means deposits made by customers with respect to the purchase of goods or the performance of services.

“DDA” means each checking, savings or other demand deposit account maintained by any of the Loan Parties other than the Blocked Accounts. All funds in each DDA shall be conclusively presumed to be Collateral and proceeds of Collateral and the Agents and the Lenders shall have no duty to inquire as to the source of the amounts on deposit in any DDA.

“DDA Notification” has the meaning provided therefor in Section 6.13(a)(i).

“Debt Maturity Reserve” means an Availability Reserve in an amount not to exceed the outstanding Indebtedness in respect of ~~the Trade Credit, the Sponsor Note and~~ the Cash Flow Payments, such Debt Maturity Reserve to be established no earlier than ninety (90) days prior to the due date of such Indebtedness; provided that such Debt Maturity Reserve shall be reduced on a dollar-for-dollar basis immediately prior to when such Indebtedness is paid, redeemed, repaid, refinanced or extended as provided. For the avoidance of doubt, with respect to any Borrowing the proceeds of which shall be used to pay any Indebtedness described in the immediately preceding sentence, the Debt Maturity Reserve shall be deemed reduced on a dollar-for-dollar basis in an amount equal to such Indebtedness to be paid for purposes of determining Availability hereunder.⁷

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

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means (a) when used with respect to Obligations other than Letter of Credit Fees, an interest rate equal to (i) the Base Rate plus (ii) the Applicable Margin, if any, applicable to Base Rate Loans, plus (iii) 2% per annum; provided, however, that with respect to a LIBO Rate Loan, the Default Rate shall be an interest rate equal to the interest rate (including any Applicable Margin) otherwise applicable to such Loan plus 2% per annum, and (b) when used with respect to Letter of Credit Fees, a

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rate equal to the Applicable Rate for Standby Letters of Credit or Commercial Letters of Credit, as applicable, plus 2% per annum.

“Defaulting Lender” means any Lender that (a) has failed to fund any portion of the Committed Loans, participations in L/C Obligations or participations in Swing Line Loans required to be funded by it hereunder within one amount required to be funded by it under the Agreement within 1 Business Day of the date required to be funded by it hereunder, (b) has that it is required to do so under the Agreement (including the failure to make available to the Administrative Agent amounts required pursuant to a settlement or to make a required payment in connection with a Letter of Credit Disbursement), (b) notified the Borrowers, the Administrative Agent, or any Lender in writing that it does not intend to comply with all or any portion of its funding obligations under the Agreement, (c) has made a public statement to the effect that it does not intend to comply with its funding obligations under the Agreement or under other agreements generally (as reasonably determined by the Administrative Agent) under which it has committed to extend credit, (d) failed, within 1 Business Day after written request by the Administrative Agent, to confirm that it will comply with the terms of the Agreement relating to its obligations to fund any amounts required to be funded by it under the Agreement, (e) otherwise failed to pay over to the Administrative Agent or any other Lender any other amount required to be paid by it hereunder under the Agreement within one 1 Business Day of the date when due, or (e) has been deemed insolvent or become the subject of a bankruptcy or insolvency proceeding that it is required to do so under the Agreement, or (f) (i) becomes or is insolvent or has a parent company that has become or is insolvent or (ii) becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian or appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, or custodian appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment.

“Deteriorating Lender” means any Defaulting Lender or any Lender as to which (a) the L/C Issuer or the Swing-Line Lender has a good faith belief that such Lender has defaulted in fulfilling its obligations under one or more other syndicated credit facilities, or (b) a Person that Controls such Lender has been deemed insolvent or become the subject of a bankruptcy, insolvency or similar proceeding.

“Dilution Percentage” shall mean, as of any date of determination, a percentage, based upon the experience of the immediately prior twelve (12) months, that is the result of dividing the dollar amount of (a) bad debt write-downs, discounts, advertising allowances, credits or other dilutive items with respect to the Accounts of the Borrowers (other than those consisting of Credit Card Receivables) for such period by (b) the Borrowers’ gross sales of Inventory during such period (excluding intercompany sales).

~~“Dilution Reserve” shall mean, as of any date of determination, an amount sufficient to reduce the advance rate against Eligible Trade Receivables, by one percentage point for each percentage point by which the Dilution Percentage exceeds five percent (5%).~~

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) and any sale, transfer, license or other disposition of (whether in one transaction or in a series of transactions) of any property (including, without limitation, any Equity Interests) by any Person (or the granting of any option or other right to do any of the foregoing), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

“Disqualified Stock” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to the date that is 91 days after the date on which the Loans mature; provided, however, that (i) only the portion of such Equity Interests which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock and (ii) with respect to any Equity Interests issued to any employee or to any plan for the benefit of employees of the Lead Borrower or its Subsidiaries or by any such plan to such employees, such Equity Interest shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Lead Borrower or one of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, resignation, death or disability and if any class of Equity Interest of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of an Equity Interest that is not Disqualified Stock, such Equity Interests shall not be deemed to be Disqualified Stock. Notwithstanding the preceding sentence, any Equity Interest that would constitute Disqualified Stock solely because the holders thereof have the right to require a Loan Party to repurchase such Equity Interest upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Lead Borrower and its Subsidiaries may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends.

“Dollars” and “\$” mean lawful money of the United States.

“Drawing Document” means any Letter of Credit or other document presented for purposes of drawing under any Letter of Credit.

“Early Termination Fee” has the meaning set forth in Section 2.09(b).

“Eligible Assignee” means (a) a Credit Party or any of its Affiliates; (b) a bank, insurance company, or company engaged in the business of making commercial loans, which Person, together with its Affiliates, has a combined capital and surplus in excess of \$250,000,000; (c) an Approved Fund; (d) any Person to

whom a Credit Party assigns its rights and obligations under this Agreement as part of an assignment and transfer of such Credit Party's rights in and to a material portion of such Credit Party's portfolio of asset based credit facilities, and (e) any other Person (other than a natural person) approved by (i) the Administrative Agent, the L/C Issuer and the Swing Line Lender, and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed); provided that notwithstanding the foregoing, "Eligible Assignee" shall not include a Loan Party or any of the Loan Parties' Affiliates or Subsidiaries.

"Eligible Credit Card Receivables" means Credit Card Receivables due to a Borrower on a non-recourse basis, in each case acceptable to the Administrative Agent in its reasonable business discretion, as arise in the ordinary course of business, which have been earned by performance, and are deemed by the Administrative Agent in its reasonable business discretion to be eligible for inclusion in the calculation of the Borrowing Base. Without limiting the foregoing, unless the Administrative Agent otherwise agrees, none of the following shall be deemed to be Eligible Credit Card Receivables:

- (a) Accounts due from major credit card processors and major debit card processors that have been outstanding for more than five (5) Business Days from the date of sale;
- (b) Accounts due from major credit card processors and major debit card processors with respect to which a Loan Party does not have good, valid and marketable title, free and clear of any Lien (other than Liens granted to the Collateral Agent, and those Liens specified in clauses (a), (e), and (q) of the definition of Permitted Encumbrances);
- (c) Accounts due from major credit card processors and major debit card processors that are not subject to a first priority security interest in favor of the Collateral Agent (it being the intent that chargebacks in the ordinary course by the credit card processors shall not be deemed violative of this clause);
- (d) Accounts due from major credit card processors and major debit card processors which are disputed, are with recourse, or with respect to which a claim, counterclaim, offset or chargeback has been asserted (to the extent of such claim, counterclaim, offset or chargeback);
- (e) Accounts due from major credit card processors as to which the credit card processor has the right under certain circumstances to require a Loan Party to repurchase the Accounts from such credit card processor; or
- (f) Accounts due from major credit card processors and major debit card processors which the Administrative Agent determines in its reasonable business discretion to be uncertain of collection.

"Eligible Inventory" means, as of the date of determination thereof, items of Inventory of a Borrower that are finished goods, merchantable and readily saleable to the public in the ordinary course of a Borrower's business deemed by the Administrative Agent in its reasonable business discretion to be eligible for inclusion in the calculation of the Borrowing Base, in each case that, except as otherwise

agreed by the Administrative Agent, complies with each of the representations and warranties respecting Inventory made by the Borrowers in the Loan Documents, and that is not excluded as ineligible by virtue of one or more of the criteria set forth below. Except as otherwise agreed by the Administrative Agent, the following items of Inventory shall not be included in Eligible Inventory:

- (a) Inventory that is not solely owned by a Borrower or a Borrower does not have good and valid title thereto;
- (b) Inventory that is leased by or is on consignment to a Borrower or which is consigned by a Borrower to a Person which is not a Loan Party;
- (c) Inventory that is not located in the United States of America (excluding territories or possessions of the United States);
- (d) Inventory at a location that is not owned or leased by a Borrower, except to the extent that the Borrowers have furnished the Administrative Agent with (i) any UCC financing statements or other documents that the Administrative Agent may determine to be necessary to perfect its security interest in such Inventory at such location, and (ii) a Collateral Access Agreement executed by the Person owning any such location on terms reasonably acceptable to the Administrative Agent;
- (e) Inventory that is located in a distribution center leased by a Borrower, unless the applicable lessor has delivered to the Collateral Agent, if requested by the Collateral Agent, a Collateral Access Agreement;
- (f) Inventory that is comprised of goods which (i) are damaged, defective, "seconds," or otherwise unmerchantable, (ii) are to be returned to the vendor, (iii) are obsolete or slow moving, or custom items, work-in-process, raw materials, or that constitute spare parts, promotional, marketing, packaging and shipping materials or supplies used or consumed in a Borrower's business, (iv) are seasonal in nature and which have been packed away for sale in the subsequent season, (v) not in compliance with all standards imposed by any Governmental Authority having regulatory authority over such Inventory, its use or sale, or (vi) are bill and hold goods;
- (g) Inventory that is not subject to a perfected first-priority security interest in favor of the Collateral Agent;
- (h) Inventory that consists of samples, labels, bags, packaging, and other similar non-merchandise categories;
- (i) Inventory that is not insured in compliance with the provisions of Section 5.10 hereof;
- (j) Inventory that has been sold but not yet delivered or as to which a Borrower has accepted a deposit;

(k) Inventory that is subject to any licensing, patent, royalty, trademark, trade name or copyright agreement with any third party from which any Borrower or any of its Subsidiaries has received notice of a dispute in respect of any such agreement; or

(l) Inventory acquired in a Permitted Acquisition or which is not acquired other than for the purpose of sale in a Store in the ordinary course of a Borrower's business, unless and until the Collateral Agent has completed or received (A) an appraisal of such Inventory from appraisers satisfactory to the Collateral Agent, establishes an Inventory Advance Rate and Inventory Reserves (if applicable) therefor, and otherwise agrees that such Inventory shall be deemed Eligible Inventory, and (B) such other due diligence as the Agents may require, all of the results of the foregoing to be reasonably satisfactory to the Agents.

~~"Eligible Real Estate" means that certain Real Estate owned by Lead Borrower and located in Loveland, Larimer County, Colorado, as more fully described on Schedule 1.01(b) ("Loveland Real Estate"), but only as and when the following conditions have been satisfied:~~

~~(a) Lead Borrower continues to own the Loveland Real Estate in fee simple absolute;~~

~~(b) The Administrative Agent shall have received evidence that all actions that the Administrative Agent may reasonably deem necessary or appropriate in order to create a valid first and subsisting Lien (subject only to those Liens permitted by Section 6.02 hereof which have priority over the Lien of the Collateral Agent by operation of Applicable Law or otherwise reasonably acceptable to the Administrative Agent) on the Loveland Real Estate have been taken.~~

~~(c) The Administrative Agent shall have received an appraisal (based upon Appraised Value) of the Loveland Real Estate complying with the requirements of FIRREA by a third party appraiser reasonably acceptable to the Administrative Agent and otherwise in form and substance reasonably satisfactory to the Administrative Agent; and~~

~~(d) The Real Estate Eligibility Requirements have been satisfied.~~

~~"Eligible Trade Receivables" means all Accounts that are subject to a valid, exclusive (other than Liens specified in clause (q) of the definition of Permitted Encumbrances), first priority and fully perfected security interest in favor of the Collateral Agent, on behalf of the Lenders, which conform to the warranties contained herein and which, at all times, continue to be acceptable to the Administrative Agent in the exercise of its reasonable credit judgment, less, without duplication, the sum of the below listed items; provided, (i) Administrative Agent shall have the right to establish, modify or eliminate Reserves against Eligible Trade Receivables from time to time in its reasonable credit judgment and (ii) Administrative Agent reserves the right, at any time and from time to time after the Closing Date, to adjust any of the criteria set forth below and to establish new criteria, and to adjust advance rates with respect to Eligible Trade Receivables, in its reasonable credit judgment;~~

~~(a) any returns, discounts, claims, credits, finance or service charges and allowances of any nature (whether issued, owing, granted, claimed or outstanding), and~~

~~(b) reserves for any such Accounts that arise from or are subject to or include:~~

~~(i) sales to the United States of America, any state or other governmental entity or to any agency, department or division thereof, except for any such sales as to which such Borrower has complied with the Assignment of Claims Act of 1940 or any other applicable statute, rules or regulation, to the Agent's satisfaction in the exercise of its reasonable business judgment;~~

~~(ii) foreign sales, other than sales which otherwise comply with all of the other criteria for eligibility hereunder and are (x) secured by letters of credit (in form and substance reasonably satisfactory to the Administrative Agent) issued or confirmed by, and payable at, banks having a place of business in the United States of America, or (y) to customers residing in Canada provided such Accounts do not exceed Twenty-Five Thousand Dollars (\$25,000) in the aggregate at any one time;~~

~~(iii) Accounts that remain unpaid more than ninety (90) days from invoice date;~~

~~(iv) contra accounts;~~

~~(v) sales to any other Borrower, any subsidiary, or to any company affiliated with the Borrowers in any way (exclusive of any affiliation arising solely out of the customer relationship on account of such sales);~~

~~(vi) bill and hold (deferred shipment) or consignment sales;~~

~~(vii) sales to any customer which is: (A) insolvent, (B) the debtor in any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or state law, (C) negotiating, or has called a meeting of its creditors for purposes of negotiating, a compromise of its debts, or (D) financially unacceptable to the Administrative Agent or has a credit rating unacceptable to the Administrative Agent, each based on its reasonable credit judgment;~~

~~(viii) all sales to any customer if fifty percent (50%) or more of the aggregate dollar amount of all outstanding invoices to such customer are unpaid more than ninety (90) days from invoice date;~~

~~(ix) pre-billed receivables and receivables arising from progress billing;~~

~~(x) an amount representing, historically, returns, discounts, claims, credits, allowances and applicable terms;~~

~~(xi) sales not payable in United States currency; and~~

~~(xii) any other reasons deemed necessary by the Administrative Agent in its reasonable credit judgment, including without limitation those which are customary either in the commercial finance industry or in the lending practices of the Administrative Agent.~~

~~Administrative Agent has advised Borrowers that due diligence has not been conducted with respect to Eligible Trade Receivables, and that until completion of such due diligence, to the sole satisfaction of Administrative Agent, the Borrowing Base will not include any Eligible Trade Receivables. Upon completion of such due diligence Administrative Agent may, in its sole discretion, adjust the Receivables Advance Rate, and establish any Receivables Reserves which it deems appropriate.~~

“Employee Stock Plan” means that certain Sportsman’s Warehouse Holdings, Inc. 2010 Equity Incentive Plan annexed hereto as Exhibit J (as in effect on the First Amendment Effective Date and as subsequently amended in accordance with the terms hereof), pursuant to which certain Eligible Persons (as defined therein) may purchase restricted Equity Interests in the Parent.^a

~~“Environmental Compliance Reserve” means, with respect to Eligible Real Estate, any reserve which the Agents, from time to time in their discretion establish for estimable amounts that are reasonably likely to be expended by any of the Loan Parties in order for such Loan Party and its operations and property (a) to comply with any notice from a Governmental Authority asserting non-compliance with Environmental Laws, or (b) to correct any such non-compliance with Environmental Laws or to provide for any Environmental Liability.~~

“Environmental Laws” means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the ref of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, obligation, damage, loss, claim, action, suit, judgment, order, fine, penalty, fee, expense, or cost, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal or presence of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

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“Equipment” has the meaning set forth in the Security Agreement.

“Equity Interests” means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with ~~the Lead~~any Borrower within the meaning of 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” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by ~~the Lead~~any Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by ~~the Lead~~any Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; or (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon ~~the Lead~~any Borrower or any ERISA Affiliate.

“Event of Default” has the meaning specified in Section 8.01. An Event of Default shall be deemed to be continuing unless and until that Event of Default has been duly waived as provided in Section 10.03 hereof.

~~“Excess Availability” means, as of any date of determination thereof by the Administrative Agent, the result, if a positive number, of (i) the Borrowing Base at such time, minus (ii) the aggregate Outstanding Amount of all Credit Extensions to, or for the account of, the Borrowers.~~

“Excluded Taxes” means, with respect to any Recipient, (a) income or franchise Taxes imposed on (or measured by) such Recipient’s gross or net income or profit (however denominated), by the United States of America, the jurisdiction under the laws of which such Recipient is organized, in which such Recipient is resident for Tax purposes or in which its principal office is located or, in the case of any Lender, in which its applicable Lending Office is located or in which it otherwise is deemed to be

engaged in a trade or business for Tax purposes (or, in each case, any political subdivision thereof), (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction described in clause (a) above or any other jurisdiction in which any Borrower is located, (c) any Taxes imposed by reason of any present or former connection between the jurisdiction imposing such Taxes and such Recipient other than a connection arising solely from such Recipient having received a payment under this Agreement or any other Loan Document, (d) any withholding Tax imposed pursuant to any applicable law in effect at the time such Recipient becomes a Recipient with respect to its applicable ownership interest in the Loan or designates a new lending office, (e) any Taxes attributable to such Recipient's failure to comply with Sections 3.01(e), ~~and (f)~~ as referenced in the definition of Other Taxes, Taxes imposed as a result of an assignment (other than an assignment that occurs as a result of the Borrowers' request pursuant to Section 10.13), and (g) any U.S. federal withholding tax imposed under FATCA.

"Executive Order" has the meaning set forth in Section 10.18.

"Existing Credit Agreement" means that certain Credit Agreement dated as of August 14, 2009 among the Borrowers, General Electric Capital Corporation, as agent, and a syndicate of lenders.

"Extraordinary Receipt" means any cash received by or paid to or for the account of any Person not in the ordinary course of business (other than, so long as any Term Obligations (other than contingent indemnification obligations for which no claim has then been asserted) remain outstanding, amounts paid to Parent as cash capital contributions or cash proceeds from Parent's issuance of common stock, in each case which are used to prepay the Term Loans in connection with the exercise of the Cure Right (as defined in the Term Credit Agreement as in effect on the date hereof)), including tax refunds, pension plan reversions, proceeds of insurance (other than proceeds of business interruption insurance to the extent such proceeds constitute compensation for lost earnings), condemnation awards (and payments in lieu thereof), indemnity payments and any purchase price adjustments.

"Facility Guaranty" means the Guaranty made by any Guarantor in favor of the Agents and the Lenders, in form reasonably satisfactory to the Administrative Agent.

"Factored Receivables" means any Accounts ~~of~~ originally owed or owing by a Loan Party to another Person which have been purchased by or factored or sold by an account debtor of a Loan Party to ~~with~~ Wells Fargo, Wells Fargo Retail Finance, LLC or any of their respective Affiliates pursuant to a factoring arrangement or otherwise with the Person that sold the goods or rendered the services to the Loan Party which gave rise to such Account.

"FATCA" means current Section 1471 through 1474 of the Code or any amended version or successor provision that is substantively similar and not materially more onerous to comply with and, in each case, any regulations promulgated thereunder and any interpretation and other guidance issued in connection therewith.

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by

Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds 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 (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Wells Fargo on such day on such transactions as determined by the Administrative Agent.

“Fee Letter” means the letter agreement, dated May 28, 2010, among the Lead Borrower and the Administrative Agent.

“FIRREA” means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended from time to time.

“First Amendment Effective Date” means October 27, 2011.⁹

“Fiscal Month” means any fiscal month of any Fiscal Year, which month shall generally end on the Saturday closest to the end of such calendar month, subject to inclusion of such month in the applicable Fiscal Quarter, in accordance with the fiscal accounting calendar of the Loan Parties. Borrowers’ fiscal calendar through Fiscal Year 2028 is attached hereto as Schedule 1.01(c).

“Fiscal Quarter” means any fiscal quarter of any Fiscal Year, which quarters shall generally end on the Saturday closest to the end of each April, July, October and January of such Fiscal Year in accordance with the fiscal accounting calendar of the Loan Parties. Borrowers’ fiscal calendar through Fiscal Year 2028 is attached hereto as Schedule 1.01(c).

“Fiscal Year” means any period of fifty-two (52) or fifty-three (53) weeks, as the case may be, ending on the Saturday closest to January 31 of any calendar year. Borrowers’ fiscal calendar through Fiscal Year 2028 is attached hereto as Schedule 1.01(c).

“Foreign Assets Control Regulations” has the meaning set forth in Section 10.18.

“Foreign Lender” means any Lender that is organized under the laws of a jurisdiction other than that in which the Lead Borrower is resident for tax purposes. For purposes of this definition, the United States, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

~~“Fronting Fee” has the meaning assigned to such term in Section 2.03(j).~~

“FRB” means the Board of Governors of the Federal Reserve System of the United States.

⁹ First Amendment

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“GAAP” means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term “Guarantee” as a verb has a corresponding meaning.

“Guarantor” means the Parent and each other Person who shall be required to execute and deliver a Facility Guaranty pursuant to Section 6.12.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Honor Date” has the meaning specified in Section 2.03(c)(i).

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money ~~and or with respect to deposits or advances of any kind~~;
- (b) ~~all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;~~ the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;
- (c) all obligations of such Person upon which interest charges are customarily paid;
- (d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person;
- (e) net obligations of such Person under any Swap Contract;
- (f) ~~all obligations of such Person to pay issued or assumed as the deferred purchase price of property or services (other than excluding trade accounts payable and accrued obligations incurred in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created);~~
- (g) all indebtedness (excluding prepaid interest thereon) secured by or others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or being purchased/acquired by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall the obligations secured thereby have been assumed by such Person or is limited in recourse;
- (h) All Attributable Indebtedness in respect of Capital Lease Obligations and Synthetic Lease Obligations of such Person;
- (i) (i) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person (including, without limitation, Disqualified Stock, or any warrant, right or option to acquire such Equity Interest), valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and (ii) the liquidation value of all Disqualified Stock of such Person;
- (j) the maximum amount of all direct or contingent obligations of such Person as an account party in respect of letters of credit (including standby and commercial);

(k) all obligations of such Person in respect of bankers' acceptances, bank guaranties, surety bonds and similar instruments; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. Notwithstanding the foregoing, in no event will any Plan Redemption Payment be construed to be Indebtedness for purposes of this Agreement.⁴⁶

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Indemnitee" has the meaning specified in Section 10.04(b).

"Information" has the meaning specified in Section 10.07.

"Intellectual Property" means all present and future: trade secrets, know-how and other proprietary information; trademarks, trademark applications, internet domain names, service marks, trade dress, trade names, business names, designs, logos, slogans (and all translations, adaptations, derivations and combinations of the foregoing) indicia and other source and/or business identifiers, and all registrations or applications for registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights and copyright applications; (including copyrights for computer programs) and all tangible and intangible property embodying the copyrights, unpatented inventions (whether or not patentable); patents and patent applications; industrial design applications and registered industrial designs; license agreements related to any of the foregoing and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, computer software, source codes, object codes, executable code, data, databases and other physical manifestations, embodiments or incorporations of any of the foregoing; all other intellectual property; and all common law and other rights throughout the world in and to all of the foregoing.

"Intercreditor Agreement" means that certain Intercreditor Agreement dated as of the Second Amendment Effective Date by and between the Administrative Agent and the Term Agent, and acknowledged and agreed to by the Loan Parties, as amended from time to time in accordance with the terms of thereof.

"Interest Payment Date" means, (a) as to any Loan other than a Base Rate Loan, the last day of each Interest Period applicable to such Loan and the Maturity Date; provided, however, that if any Interest Period for a LIBO Rate Loan exceeds three months, the respective dates that fall every three months

⁴⁶ First Amendment

after the beginning of such Interest Period shall also be Interest Payment Dates; and (b) as to any Base Rate Loan (including a Swing Line Loan), the first day after the end of each month and the Maturity Date.

“Interest Period” means, as to each LIBO Rate Loan, the period commencing on the date such LIBO Rate Loan is disbursed or converted to or continued as a LIBO Rate Loan and ending on the date one, two or three months thereafter, as selected by the Lead Borrower in its Committed Loan Notice; provided that:

- (i) any Interest Period that would otherwise end on a day that is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Business Day;
- (ii) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the calendar month at the end of such Interest Period;
- (iii) no Interest Period shall extend beyond the Maturity Date; and
- (iv) notwithstanding the provisions of clause (iii) no Interest Period shall have a duration of less than one (1) month, and if any Interest Period applicable to a LIBO Borrowing would be for a shorter period, such Interest Period shall not be available hereunder.

For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Inventory” has the meaning given that term in the UCC, and shall also include, without limitation, all: (a) goods which (i) are leased by a Person as lessor, (ii) are held by a Person for sale or lease or to be furnished under a contract of service, (iii) are furnished by a Person under a contract of service, or (iv) consist of raw materials, work in process, or materials used or consumed in a business; (b) goods of said description in transit; (c) goods of said description which are returned, repossessed or rejected; and (d) packaging, advertising, and shipping materials related to any of the foregoing.

“Inventory Advance Rate” means 75%.

“Inventory Reserves” means such reserves as may be established from time to time by the Administrative Agent in the Administrative Agent’s discretion with respect to the determination of the saleability, at retail, of the Eligible Inventory or which reflect such other factors as affect the market value of the Eligible Inventory. Without limiting the generality of the foregoing, Inventory Reserves may, in the Administrative Agent’s discretion, include (but are not limited to) reserves based on:

- (a) Obsolescence;
- (b) Seasonality;

- (c) Shrink;
- (d) Imbalance;
- (e) Change in Inventory character;
- (f) Change in Inventory composition;
- (g) Change in Inventory mix;
- (h) Markdowns (both permanent and point of sale);
- (i) Retail markons and markups inconsistent with prior period practice and performance, industry standards, current business plans or advertising calendar and planned advertising events; and
- (j) Out-of-date and/or expired Inventory.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or interest in, another Person, or (c) any Acquisition, or (d) any other investment of money or capital in order to obtain a profitable return. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment.

“Investment Affiliate” means, with respect to any Person, any fund or investment vehicle that (a) is organized by such Person for the purpose of making equity or debt investments in one or more companies and (b) is controlled by such Person. For purposes of this definition “control” means the power to direct or cause the direction of management and policies of a Person, whether by contract or otherwise.

“IRS” means the United States Internal Revenue Service.

“ISP” means, 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)~~ (International Chamber of Commerce Publication No. 590) and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

“Issuer Documents” means with respect to any Letter of Credit, the Letter Credit Application, the Standby Letter of Credit Agreement or Commercial Letter of Credit Agreement, as applicable, and any other document, agreement and instrument entered into by the L/C Issuer and the any Borrower (or any Subsidiary) or in favor of the L/C Issuer and relating to any such Letter of Credit.

“Joinder Agreement” means an agreement, in substantially in the form of Exhibit E, pursuant to which, among other things, a Person becomes a party to, and bound by the terms of, this Agreement and/or the other Loan Documents in the same capacity and to the same extent as either a Borrower or a Guarantor, as the Administrative Agent may determine.

“Knowledge” means knowledge after due inquiry and diligent investigation.

“Landlord Lien State” means Pennsylvania, Texas, Virginia and Washington, or such other state(s) as to which Collateral Agent notifies the Lead Borrower in writing that a landlord’s claim for rent may have priority over the lien of the Collateral Agent in any of the Collateral.

“Laws” means each international, foreign, Federal, state and local statute, treaty, rule, guideline, regulation, ordinance, code and administrative or judicial precedent or authority, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and each applicable administrative order, directed duty, request, license, authorization and permit of, and agreement with, any Governmental Authority, in each case whether or not having the force of law.

~~“L/C Advance” means, with respect to each Lender, such Lender’s funding of its participation in any L/C Borrowing in accordance with its Applicable Percentage.~~

~~“L/C Borrowing” means 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 Committed Borrowing.~~

“L/C Credit Extension” means, with respect to any Letter of Credit, the issuance thereof or extension of the expiry date thereof, or the increase of the amount thereof.

“L/C Issuer” means (a) Wells Fargo in its capacity as issuer of Letters of Credit hereunder, or any successor issuer of Letters of Credit hereunder (which successor may only be a Lender selected by the Administrative Agent in its discretion), and (b) any other Lender selected by the Administrative Agent in its discretion. The L/C Issuer may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the L/C Issuer and/or for such Affiliate to act as an advising, transferring, confirming and/or nominated bank in connection with the issuance or administration of any such Letter of Credit, in which case the term “L/C Issuer” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

“L/C Obligations” means, as at any date of determination, the aggregate undrawn amount available to be drawn under all outstanding Letters of Credit ~~plus the aggregate of all Unreimbursed Amounts, including all L/C Borrowings~~. For purposes of computing the amounts available to be drawn under any Letter of Credit, the amount of such Letter of Credit shall be determined in accordance with Section 1.06. 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 any Rule 3.14 under the ISP or any article of the ISPUCP, such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn.

“Lease” means any agreement, whether written or oral, no matter how styled or structured, pursuant to which a Loan Party is entitled to the use or occupancy of any space in a structure, land, improvements or premises for any period of time.

“Lender” has the meaning specified in the introductory paragraph hereto and, as the context requires, includes the Swing Line Lender.

“Lending Office” means, as to any Lender, the office or offices of such Lender described as such in such Lender’s Administrative Questionnaire, or such other office or offices as a Lender may from time to time notify the Borrower and the Administrative Agent.

“Letter of Credit” means each Standby Letter of Credit and each Commercial Letter of Credit issued hereunder.

“Letter of Credit Application” means an application and agreement for the issuance or amendment of a Letter of Credit in the form from time to time in use by the L/C Issuer.

“Letter of Credit Disbursement” means a payment made by the L/C Issuer pursuant to a Letter of Credit.

~~“Letter of Credit Expiration Date” means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day)~~ has the meaning specified in Section 2.03(f).

“Letter of Credit Fee” has the meaning specified in Section 2.03(i).

“Letter of Credit Related Person” has the meaning specified in Section 2.03(f).

“Letter of Credit Sublimit” means an amount equal to \$10,000,000. The Letter of Credit Sublimit is part of, and not in addition to, the Aggregate Commitments. A permanent reduction of the Aggregate Commitments shall not require a corresponding pro rata reduction in the Letter of Credit Sublimit; provided, however, that if the Aggregate Commitments are reduced to an amount less than the Letter of Credit Sublimit, then the Letter of Credit Sublimit shall be reduced to an amount equal to (or, at Lead Borrower’s option, less than) the Aggregate Commitments.

~~“Letter of Credit Obligations” means L/C Obligations.~~

“LIBO Borrowing” means a Borrowing comprised of LIBO Rate Loans.

“LIBO Rate” means for any Interest Period with respect to a LIBO Rate Loan, the rate per annum equal to the British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or other commercially available source providing quotations of BBA 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. If such rate is not available at such time for any reason, then the “LIBO Rate” for such Interest Period shall be the rate per annum determined by the Administrative Agent to be the rate at which deposits in Dollars for delivery on the first day of such

Interest Period in same day funds in the approximate amount of the LIBO Rate Loan being made, continued or converted by Wells Fargo and with a term equivalent to such Interest Period would be offered to Wells Fargo by major banks in the London interbank eurodollar market in which Wells Fargo participates at their request at approximately 11:00 a.m. (London time) two Business Days prior to the commencement of such Interest Period.

“LIBO Rate Loan” means a Committed Loan that bears interest at a rate based on the Adjusted LIBO Rate.

“Lien” means (a) any mortgage, deed of trust, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale, Capital Lease Obligation, Synthetic Lease Obligation, or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing) and (b) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Liquidation” means the exercise by the Administrative Agent or Collateral Agent of those rights and remedies accorded to such Agents under the Loan Documents and applicable Law as a creditor of the Loan Parties with respect to the realization on the Collateral, including (after the occurrence and continuation of an Event of Default) the conduct by the Loan Parties acting with the consent of the Administrative Agent, of any public, private or “going out of business”, “store closing”, or other similarly themed sale or other disposition of the Collateral for the purpose of liquidating the Collateral. Derivations of the word “Liquidation” (such as “Liquidate”) are used with like meaning in this Agreement.

“Loan” means an extension of credit by a Lender to the Borrower under Article II in the form of a Committed Loan or a Swing Line Loan.

“Loan Account” has the meaning assigned to such term in Section 2.11(a).

“Loan Cap” means, at any time of determination, the lesser of (a) the Aggregate Commitments or (b) the Borrowing Base.

“Loan Documents” means this Agreement, each Note, each Issuer Document, the Fee Letter, all Borrowing Base Certificates, the Intercreditor Agreement, the Blocked Account Agreements, the DDA Notifications, the Credit Card Notifications, the Security Documents, the Facility Guaranty, and any other instrument or agreement now or hereafter executed and delivered in connection herewith, or in connection with any transaction arising out of any Cash Management Services and Bank Products provided by the Administrative Agent or any of its Affiliates, each as amended and in effect from time to time; provided that for purposes of the definition of “Material Adverse Effect” and Article VII, “Loan Documents” shall not include agreements relating to Cash Management Services and Bank Products.

“Loan Parties” means, collectively, the Borrowers and each Guarantor.

“Management Reimbursement Agreement” means the Reimbursement Agreement dated as of August 14, 2009 by and between Sportsman’s Warehouse Holdings, Inc. and SEP SWH Holdings, L.P., on behalf of itself and its affiliates, as amended, restated, supplemented or otherwise modified from time to time pursuant to the terms of this Agreement.

“Mandatory Term Loan Prepayments” means, so long as the Term Obligations (other than contingent indemnification obligations for which no claim has then been asserted) remain outstanding, mandatory payments of the Term Loan Obligations with proceeds of any Term Priority Collateral to the extent required to be made pursuant to the Term Credit Agreement as in effect as of the Second Amendment Effective Date.

“Material Adverse Effect” means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Loan Party or the Parent and its Subsidiaries taken as a whole; (b) a material impairment of the ability of any Loan Party to perform its obligations under any Loan Document to which it is a party; or (c) a material impairment of the rights and remedies of ~~the~~ any Agent or the Lenders under any Loan Document or a material adverse effect upon the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event in and of itself does not have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then existing events would result in a Material Adverse Effect.

“Material Contract” means, with respect to any Person, each contract to which such Person is a party, the termination or breach of which would be reasonably likely to result in a Material Adverse Effect, including, without limitation, the ~~Management Reimbursement Agreement, Trade Credit~~ Term Documents, and Sponsor Security Agreement.

“Material Indebtedness” means (a) the Term Obligations (it being understood that the Term Obligations shall be deemed to be “Material Indebtedness” so long as any Term Obligations remain outstanding), and (b) any other Indebtedness (other than the Obligations) of the Loan Parties in an aggregate principal amount exceeding \$1,000,000. For purposes of determining the amount of Material Indebtedness at any time, (a) the amount of the obligations in respect of any Swap Contract at such time shall be calculated at the Swap Termination Value thereof, (b) undrawn committed or available amounts shall be included, and (c) all amounts owing to all creditors under any combined or syndicated credit arrangement shall be included.

“Maturity Date” means ~~October 27, 2016.~~⁴¹November 13, 2017.

“Maximum Rate” has the meaning provided therefor in Section 10.09.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Mortgages” means each and every fee and leasehold mortgage or deed of trust, security agreement and assignment by and between the Loan Party owning or holding the leasehold interest in the Real Estate encumbered thereby in favor of the Collateral Agent.

~~“Mortgage Policies” has the meaning specified in the definition of Real Estate Eligibility Requirements.~~

“Mortgage Policies” means fully paid American Land Title Association Lender’s Extended Coverage title insurance policies or marked-up title insurance commitments having the effect of a policy of title insurance) in form and substance, with the endorsements reasonably required by the Agents (to the extent available at commercially reasonable rates) and in amounts reasonably acceptable to the Collateral Agent (provided that such amounts shall not exceed the Appraised Value of the applicable Mortgaged Property), issued, coinsured and reinsured (to the extent required by the Collateral Agent) by title insurers reasonably acceptable to the Collateral Agent, insuring the Mortgages to be valid first and subsisting Liens on the property or leasehold interests described therein, free and clear of all defects (including, but not limited to, mechanics’ and materialmen’s Liens) and encumbrances, excepting only those Liens permitted by Section 6.02 having priority over the Lien of the Collateral Agent under applicable Law or otherwise reasonably acceptable to the Collateral Agent.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Lead Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Net Cash Proceeds” means (a) with respect to any Disposition by any Loan Party or any of its Subsidiaries, or any Extraordinary Receipt received or paid to the account of any Loan Party or any of its Subsidiaries, the excess, if any, of (i) the sum of cash and cash equivalents received in connection with such transaction (including any cash or cash equivalents received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) over (ii) the sum of (A) the principal amount of any Indebtedness that is secured by the applicable asset by a Lien permitted hereunder which is senior to the Collateral Agent’s Lien on such asset and that is required to be repaid (or to establish an escrow for the future repayment thereof) in connection with such transaction (other than Indebtedness under the Loan Documents), ~~(B and the Term Documents),~~ (B) to the extent such cash proceeds are received from an a Disposition of, or an Extraordinary Receipt received or paid to the account of, Term Priority Collateral, so long as any Term Obligations (other than

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contingent indemnification obligations for which no claim has then been asserted) remain outstanding, the principal amount, premium or penalty, if any, interest and other Term Obligations, in each case, which are required to be repaid or cash collateralized with any such proceeds, and (C) the reasonable and customary out-of-pocket expenses incurred by such Loan Party or such Subsidiary in connection with such transaction (including, without limitation, appraisals, and brokerage, legal, title and recording or transfer tax expenses and commissions) paid by any Loan Party to third parties (other than Affiliates); and (b) with respect to the sale or issuance of any Equity Interest by any Loan Party or any of its Subsidiaries, or the incurrence or issuance of any Indebtedness by any Loan Party or any of its Subsidiaries, the excess of (i) the sum of the cash and cash equivalents received in connection with such transaction over (ii) the sum of (A) the underwriting discounts and commissions, and other reasonable and customary out-of-pocket expenses, incurred by such Loan Party or such Subsidiary in connection therewith and (B) to the extent such cash proceeds are received from the sale or issuance of any Equity Interest constituting Term Priority Collateral, so long as any Term Obligations (other than contingent indemnification obligations for which no claim has then been asserted) remain outstanding, the principal amount, premium or penalty, if any, interest and other Term Obligations, in each case, which are required to be repaid or cash collateralized with any such proceeds.

“Non-Consenting Lender” has the meaning provided therefor in Section 10.01.

“Non-Extension Notice Date” has the meaning specified in Section 2.03(b)(iii).

“Note” means (a) a promissory note made by the Borrower in favor of a Lender evidencing Loans made by such Lender, substantially in the form of Exhibit C-1, and (b) the Swing Line Note, as each may be amended, supplemented or modified from time to time.

“NPL” means the National Priorities List under CERCLA.

“Obligations” means (a) all advances to, and debts (including principal, interest, fees, costs, and expenses), liabilities, obligations, covenants, indemnities, and duties of, any Loan Party arising under any Loan Document or otherwise with respect to any Loan or Letter of Credit (including payments in respect of reimbursement of disbursements, interest thereon and obligations to provide cash collateral therefor), 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, fees, costs, expenses and indemnities that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest, fees, costs, expenses and indemnities are allowed claims in such proceeding, and (b) any Other Liabilities.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in

connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity, and (d) in each case, all shareholder or other equity holder agreements, voting trusts and similar arrangements to which such Person is a party or which is applicable to its Equity Interests and all other arrangements relating to the Control or management of such Person.

“Other Liabilities” means any obligation on account of (i) any Cash Management Services furnished to any of the Loan Parties or any of their Subsidiaries and/or (ii) any transaction with any Agent or any of their respective Affiliates, which arises out of any Bank Product entered into with any Loan Party and any such Person, as each may be amended from time to time; ~~and/or (iii) any liability with respect to Factored Receivables.~~

“Other Taxes” means, other than Excluded Taxes, all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document; excluding, however, such Taxes imposed as a result of an assignment (other than an assignment that occurs as a result of the Borrowers’ request pursuant to Section 10.13).

“Outstanding Amount” means (i) with respect to Committed Loans and Swing Line Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Committed Loans and Swing Line Loans, as the case may be, occurring on such date; and (ii) with respect to any L/C Obligations on any date, the amount of such L/C Obligations on such date after giving effect to any L/C Credit Extension occurring on such date and any other changes in the aggregate amount of the L/C Obligations as of such date, ~~including as a result of any reimbursements by the Borrower of Unreimbursed Amounts.~~

“Overadvance” means a Credit Extension to the extent that, immediately after its having been made, Availability is less than zero.

“Parent” means Sportsman’s Warehouse Holdings, Inc.

“Participant” has the meaning specified in Section 10.06(d).

“Payment Conditions” means satisfaction of the following, with respect to any payment of Indebtedness or making of a Restricted Payment: (i) No Event of Default has occurred and is continuing or would result after giving effect to the making of such payment of Indebtedness or such Restricted Payment, and (ii) (a) at all times during the 90 day period immediately preceding the making of such payment of Indebtedness or such Restricted Payment, and (b) immediately after giving effect to the making of such payment of Indebtedness or such Restricted Payment, Availability shall not be less than 25% of the Loan Cap and (iii) the Administrative Agent shall have received projections reasonably satisfactory to the Administrative Agent as determined on a pro forma basis, for the 180 day period immediately following the making of such payment of Indebtedness or such Restricted Payment (after giving pro-forma effect thereto), that reflect the Borrowers collectively shall have Availability of at least 25% of the Loan Cap; it

being understood and agreed that it shall not constitute a breach of this requirement if Availability subsequently is less than 25% of the Loan Cap so long as the projection thereof is based on the good faith estimate of the Borrowers at the time of such payment.⁴² Prior to undertaking any transaction or payment which is subject to the Payment Conditions, the Loan Parties shall deliver to the Administrative Agent evidence of satisfaction of the conditions contained in clause (ii) above on a basis (including, without limitation, giving due consideration to results for prior periods) reasonably satisfactory to the Administrative Agent.

“PBGC” means the Pension Benefit Guaranty Corporation.

“PCAOB” means the Public Company Accounting Oversight Board.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

“Permitted Acquisition” means an Acquisition in which all of the following conditions are satisfied:

- (a) No Default then exists or would arise from the consummation of such Acquisition;
- (b) Such Acquisition shall have been approved by the Board of Directors of the Person (or similar governing body if such Person is not a corporation) which is the subject of such Acquisition and such Person shall not have announced that it will oppose such Acquisition or shall not have commenced any action which alleges that such Acquisition shall violate applicable Law;
- (c) The Lead Borrower shall have furnished the Administrative Agent with thirty (30) days’ prior written notice of such intended Acquisition and shall have furnished the Administrative Agent with a current draft of the documents evidencing the intended Acquisition (and final copies thereof as and when executed), a summary of any due diligence undertaken by the Loan Parties in connection with such Acquisition, appropriate financial statements of the Person which is the subject of such Acquisition, pro forma projected financial statements for the twelve (12) month period following such Acquisition after giving effect to such Acquisition (including balance sheets, cash flows and income statements by month for the acquired Person, individually, and on a Consolidated basis with all Loan Parties), and such other information as

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the Administrative Agent may reasonably require, all of which shall be reasonably satisfactory to the Administrative Agent;

(d) Either (i) the legal structure of the Acquisition shall be acceptable to the Administrative Agent in its discretion, or (ii) the Loan Parties shall have provided the Administrative Agent with a favorable solvency opinion from an unaffiliated third party valuation firm reasonably satisfactory to the Administrative Agent;

(e) After giving effect to the Acquisition, if the Acquisition is an Acquisition of the Equity Interests, a Loan Party shall acquire and own, directly or indirectly, a majority of the Equity Interests in the Person being acquired and shall Control a majority of any voting interests or shall otherwise Control the governance of the Person being acquired;

(f) Any assets acquired shall be utilized in, and if the Acquisition involves a merger, consolidation or stock acquisition, the Person which is the subject of such Acquisition shall be engaged in, a business otherwise permitted to be engaged in by a Borrower under this Agreement;

(g) If the Person which is the subject of such Acquisition will be maintained as a Subsidiary of a Loan Party, or if the assets acquired in an acquisition will be transferred to a Subsidiary which is not then a Loan Party, such Subsidiary shall have been joined as a "Borrower" hereunder or as a Facility Guarantor, as the Administrative Agent shall determine, and the Collateral Agent shall have received a first priority (subject to the Intercreditor Agreement) security and/or mortgage interest in such Subsidiary's Equity Interests, Inventory, Accounts, Real Estate and other property of the same nature as constitutes collateral under the Security Documents;

(h) [Reserved.];⁴³ and

(i) The Loan Parties shall have satisfied the Additional Payment Conditions.

"Permitted Disposition" means any of the following:

(a) dispositions of inventory in the ordinary course of business;

(b) bulk sales or other Dispositions of the Inventory of a Loan Party not in the ordinary course of business, made in connection with Store closings, at arm's length, provided, that such Store closures and related Inventory Dispositions shall not exceed those set forth in the Borrowers' business plan reasonably satisfactory to Administrative Agent, and provided, further, at the Collateral Agent's discretion, all sales of Inventory in connection with Store closings shall

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- be in accordance with liquidation agreements and with professional liquidators reasonably acceptable to the Collateral Agent;
- (c) non-exclusive licenses of Intellectual Property of a Loan Party or any of its Subsidiaries in the ordinary course of business;
 - (d) licenses for the conduct of licensed departments within the Loan Parties' Stores in the ordinary course of business; provided that, if requested by the Agents, the Agents shall have entered into an intercreditor agreement with the Person operating such licensed department on terms and conditions reasonably satisfactory to the Agents;
 - (e) the sale or other disposition by a Loan Party of Inventory that is obsolete and having a book value not exceeding \$250,000 in the aggregate in any Fiscal Year (or such greater amount agreed to by Administrative Agent in its reasonable discretion);
 - (f) the sale or other disposition by a Loan Party of (i) Equipment or Fixtures of the stores closed in connection with the Plan of Reorganization, and (ii) Equipment or Fixtures that are obsolete or no longer used or useful in such Loan Party's business and having a book value, not exceeding \$500,000 in the aggregate in any Fiscal Year (or such greater amount agreed to by Administrative Agent in its reasonable discretion);
 - (g) Sales, transfers and dispositions among the Loan Parties or by any Subsidiary to a Loan Party;
 - (h) Sales, transfers and dispositions of or by any Subsidiary which is not a Loan Party to another Subsidiary that is not a Loan Party; and
 - (i) as long as no Default then exists or would arise therefrom, sales of Real Estate of any Loan Party (or sales of any Person or Persons created to hold such Real Estate or the equity interests in such Person or Persons), including sale-leaseback transactions involving any such Real Estate pursuant to leases on market terms, as long as, (A) such sale is made for fair market value, (B) ~~with respect to any Eligible Real Estate, the Net Proceeds paid in cash are in an amount at least equal to the greater of the amounts advanced or available to be advanced against such Eligible Real Estate under the Borrowing Base,~~ (C) the net proceeds of such sale are utilized to repay the Obligations, and ~~(D)~~ in the case of any sale-leaseback transaction permitted hereunder, the Agents shall have received from such each purchaser or transferee a Collateral Access Agreement on terms and conditions reasonably satisfactory to the Agents.

"Permitted Encumbrances" means:

- (a) Liens imposed by law for Taxes that are not yet due or are being contested in compliance with Section 6.04;

- (b) Carriers', warehousemen's, mechanics', materialmen's, repairmen's and other like Liens imposed by applicable Law, arising in the ordinary course of business and securing obligations that are not overdue or are being contested in compliance with Section 6.04;
- (c) Pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations, other than any Lien imposed by ERISA;
- (d) Deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- (e) Liens in respect of judgments that would not constitute an Event of Default hereunder;
- (f) Easements, covenants, conditions, restrictions, building code laws, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary conduct of business of a Loan Party and such other minor title defects or survey matters that are disclosed by current surveys that, in each case, do not materially interfere with the current use of the real property;
- (g) Liens existing on the ~~date hereof~~ Second Amendment Effective Date and listed on Schedule 7.01 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased, (iii) the direct or any contingent obligor with respect thereto is not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is otherwise permitted hereunder;
- (h) Liens on fixed or capital assets acquired by any Loan Party which are permitted under clause (c) of the definition of Permitted Indebtedness so long as (i) such Liens and the Indebtedness secured thereby are incurred prior to or within ninety (90) days after such acquisition, (ii) the Indebtedness secured thereby does not exceed the cost of acquisition of such fixed or capital assets and (iii) such Liens shall not extend to any other property or assets of the Loan Parties;
- (i) Liens in favor the Collateral Agent;
- (j) Landlords' and lessors' Liens in respect of rent not in default;
- (k) Possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Investments owned as of the ~~date hereof~~ Second Amendment Effective Date and Permitted Investments, provided that such liens (a) attach only to such Investments and (b) secure only obligations incurred in the ordinary course and arising in connection with the acquisition or disposition of such Investments and not any obligation in connection with margin financing;

(l) Liens arising solely by virtue of any statutory or common law provisions relating to banker's liens, liens in favor of securities intermediaries, rights of setoff or similar rights and remedies as to deposit accounts or securities accounts or other funds maintained with depository institutions or securities intermediaries;

(m) Liens arising from precautionary UCC filings regarding "true" operating leases or, to the extent permitted under the Loan Documents, the consignment of goods to a Loan Party;

(n) voluntary Liens on property (other than property of the type included in the Borrowing Base) in existence at the time such property is acquired pursuant to a Permitted Acquisition or on such property of a Subsidiary of a Loan Party in existence at the time such Subsidiary is acquired pursuant to a Permitted Acquisition; provided, that such Liens are not incurred in connection with or in anticipation of such Permitted Acquisition and do not attach to any other assets of any Loan Party or any Subsidiary;

(o) Liens in favor of customs and revenues authorities imposed by applicable Law arising in the ordinary course of business in connection with the importation of goods and securing obligations that are being contested in good faith by appropriate proceedings, (B) the applicable Loan Party or Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (C) such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation;

(p) encumbrances referred to in Schedule B of the Mortgage Policies insuring the Mortgages; and

~~(q) Liens arising with respect to the Sponsor Security Agreement and the Trade Credit Security Agreement.~~

(q) Liens in favor of the Term Agent securing Term Obligations to the extent permitted under clause (j) of the definition of "Permitted Indebtedness", to the extent such Liens comply with the Intercreditor Agreement; provided that any such Liens on any ABL Priority Collateral are junior to the Liens on the ABL Priority Collateral (as defined in the Intercreditor Agreement) securing the Obligations;

"Permitted Indebtedness" means each of the following as long as no Default or Event of Default exists or would arise from the incurrence thereof:

~~(a) Indebtedness outstanding on the date hereof and listed on Schedule 7.02 and any refinancings, refundings, renewals or extensions thereof; provided that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder, and the direct or contingent obligor with respect thereto is not changed as a result of or in connection with such refinancing, refunding;~~

renewal or extension, (ii) the result of such extension, renewal or replacement shall not be an earlier maturity date or decreased weighted average life of such Indebtedness, and (iii) the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate;

(a) Indebtedness outstanding on the Second Amendment Effective Date and listed on Schedule 7.03 (and Permitted Refinancing Indebtedness in respect thereof);

(b) Indebtedness of any Loan Party to any other (x) intercompany Indebtedness of the Borrowers and the Subsidiaries to the extent permitted by clause (g) of the definition of Permitted Investments, and (y) Guarantees by a Loan Party of Indebtedness of another Loan Party;

(c) Without duplication of Indebtedness described in clause (f) of this definition, purchase money Indebtedness of any Loan Party to finance the acquisition of any fixed or capital assets, including Capital Lease Obligations and Synthetic Lease Obligations; (and any Permitted Refinancing Indebtedness assumed in connection with the acquisition of any such assets or secured by a Lien on any such assets prior to the acquisition thereof, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or result in an earlier maturity date or decreased weighted average life thereof provided that the terms relating to principal amount, amortization, maturity, collateral (if any) and subordination (if any), and other material terms taken as a whole, of any such refinancing, refunding, renewing or extending Indebtedness, and of any agreement entered into and of any instrument issued in connection therewith, are no less favorable in any material respect to the Loan Parties or the Lenders than the terms of any agreement or instrument governing the Indebtedness being refinanced, refunded, renewed or extended and the interest rate applicable to any such refinancing, refunding, renewing or extending Indebtedness does not exceed the then applicable market interest rate, provided, however, that the in respect thereof) in an aggregate principal amount of Indebtedness permitted by this clause (c) shall not exceed \$2,500,000, when combined with the aggregate principal amount of all Indebtedness incurred pursuant to clause (f) of this definition, not in excess of \$5,000,000 at any time outstanding and further; provided that, if requested by the Collateral Agent, the Loan Parties shall cause the holders of such Indebtedness to enter into a Collateral Access Agreement on terms reasonably satisfactory to the Collateral Agent;

(d) obligations (contingent or otherwise) of any Loan Party or any Subsidiary thereof existing or arising under any Swap Contract, provided that such obligations are (or were)

entered into by such Person in the ordinary course of business for the purpose of directly mitigating risks associated with fluctuations in interest rates or foreign exchange rates, and not for purposes of speculation or taking a "market view;" provided that the aggregate Swap Termination Value thereof shall not exceed \$1,000,000 at any time outstanding;

(e) Contingent liabilities under surety bonds or similar instruments incurred in the ordinary course of business in connection with the construction or improvement of Stores;

(f) ~~Indebtedness of the Borrowers or any Subsidiary incurred for to finance the acquisition, construction or acquisition or improvement of, or to finance or to refinance, any Real Estate owned by any Loan Party (including therein any Indebtedness incurred in connection with sale leaseback transactions permitted hereunder), provided that, (A) with respect to any Eligible Real Estate, the Net Proceeds paid in cash are in an amount at least equal to the greater of the amounts advanced or available to be advanced against such Eligible Real Estate under the Borrowing Base, (B) all Net Proceeds received in connection with any such Indebtedness are applied to the Obligations, and (C) improvement of any fixed or capital assets, and Permitted Refinancing Indebtedness in respect thereof; provided that (i) such Indebtedness is incurred prior to or within 90 days after such acquisition or the completion of such construction or improvement and (ii) the aggregate principal amount of Indebtedness permitted by this clause (f), when combined with the aggregate principal amount of all Indebtedness incurred pursuant to clause (c) of this definition, shall not exceed \$15,000,000 at any time outstanding and (iii) the Loan Parties shall cause the holders of such Indebtedness to enter into a Collateral Access Agreement on terms reasonably satisfactory to the Collateral Agent;~~

(g) ~~Indebtedness with respect to the deferred purchase price for any consisting of debt owing to a seller incurred in connection with a Permitted Acquisition; (whether in the form of an "earn out" or otherwise); provided that such Indebtedness does is subordinated to the Obligations in a manner reasonably satisfactory to the Agents (but in any event such Indebtedness shall (i) not require the payment in cash of principal (other than in respect of working capital adjustments) prior to the Maturity Date, has and (ii) have a maturity which extends beyond the Maturity Date, and is subordinated to the Obligations on terms reasonably acceptable to the Agents;-);~~

(h) ~~(i) Indebtedness of any Person that becomes a Subsidiary of a Loan Party in after the date hereof as a result of a Permitted Acquisition, which; provided that (x) such Indebtedness is existing exists at the time such Person becomes a Subsidiary of a Loan Party (other than Indebtedness incurred solely and is not created in contemplation of or in connection with such Person's becoming a Subsidiary of a Loan Party); and (y) immediately before and after such Person becomes a Subsidiary, no Default or Event of Default shall have occurred and be continuing and (ii) Permitted Refinancing Indebtedness in respect thereof;~~

(i) The Obligations;

- ~~(j) Other Indebtedness of Parent and its Subsidiaries incurred under the Term Documents (and any Permitted Refinancing Indebtedness in respect thereof) in an aggregate principal amount not to exceed \$5,000,000~~ (i) \$125,000,000 (plus, if the increase option provided for in Section 2.22 of the Term Credit Agreement is exercised, the sum of all Incremental Term Loan Commitments (as defined in the Term Credit Agreement as in effect as of the Second Amendment Effective Date) provided under such Section) minus (ii) the sum of all principal payments of the Term Loans;
- ~~(k) The Trade Credit; and~~
- ~~(l) The Cash Flow Payments (payable in accordance with the terms of this Agreement);~~
- (l) Indebtedness under performance bonds or with respect to workers' compensation claims, in each case incurred in the ordinary course of business;
- (m) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;
- (n) Indebtedness incurred in the ordinary course of business in connection with the financing of insurance premiums; and
- (p) Indebtedness incurred in the ordinary course of business in connection with cash pooling arrangements, cash management and other similar arrangements consisting of netting arrangements and overdraft protections incurred in the ordinary course of business.

“Permitted Investments” means each of the following as long as no Default or Event of Default exists or would arise from the making of such Investment:

- (a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;
- (b) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least “Prime-1” (or the then equivalent grade) by Moody’s or at least “A-1” (or the then equivalent grade) by S&P, in each case with maturities of not more than 180 days from the date of acquisition thereof;
- (c) time deposits with, or insured certificates of deposit or bankers’ acceptances of, any commercial bank that (i) (A) is a Lender or (B) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state

thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this definition and (iii) has combined capital and surplus of at least \$1,000,000,000, in each case with maturities of not more than 180 days from the date of acquisition thereof;

(d) Fully collateralized repurchase agreements with a term of not more than thirty (30) days for securities described in clause (a) above (without regard to the limitation on maturity contained in such clause) and entered into with a financial institution satisfying the criteria described in clause (c) above or with any primary dealer and having a market value at the time that such repurchase agreement is entered into of not less than 100% of the repurchase obligation of such counterparty entity with whom such repurchase agreement has been entered into;

(e) Investments, classified in accordance with GAAP as current assets of the Loan Parties, in any money market fund, mutual fund, or other investment companies that are registered under the Investment Company Act of 1940, as amended, which are administered by financial institutions that have the highest rating obtainable from either Moody's or S&P, and which invest solely in one or more of the types of securities described in clauses (a) through (d) above;

(f) Investments existing on the ~~Closing~~Second Amendment Effective Date, and set forth on Schedule 7.02, but not any increase in the amount thereof or any other modification of the terms thereof;

(g) (i) Investments by any Loan Party and its Subsidiaries in their respective Subsidiaries outstanding on the ~~date hereof~~Second Amendment Effective Date, (ii) additional Investments by any Loan Party and its Subsidiaries in Loan Parties (other than the Parent); provided that (i) any such loans and advances made by a Loan Party shall be evidenced by a promissory note pledged to the Collateral Agent for the ratable benefit of the Secured Parties pursuant to the Security Documents and (ii) such loans and advances shall be unsecured;

(h) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(i) Guarantees constituting Permitted Indebtedness;

(j) Investments by any Loan Party in Swap Contracts entered into in the ordinary course of business and for bona fide business (and not speculative purposes) to protect against fluctuations in interest rates in respect of the Obligations;

(k) Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

- (l) Advances to officers, directors and employees of the Loan Parties and Subsidiaries in the ordinary course of business in an amount not to exceed \$10,000 to any individual at any time or in an aggregate amount not to exceed \$100,000 at any time outstanding;
- (m) Investments constituting Permitted Acquisitions;
- (n) Capital contributions made by any Loan Party to another Loan Party;
- (o) Completion of Lead Borrower's development and initiation of e-commerce/internet sales to the public;
- (p) Opening additional Stores consistent with Borrowers' business plan reasonably satisfactory to Administrative Agent;
- (q) Plan Redemption Payments; and⁴⁴
- (r) Other Investments not exceeding \$50,000 in the aggregate at any time outstanding.

provided, however, that notwithstanding the foregoing, after the occurrence and during the continuance of a Cash Dominion Event, no such Investments specified in clauses (a) through (e) and clause (r) shall be permitted unless (i) either (A) no Revolving Credit Loans are then outstanding, or (B) the Investment is a temporary Investment pending expiration of an Interest Period for a LIBO Rate Loan, the proceeds of which Investment will be applied to the Obligations after the expiration of such Interest Period, and (ii) such Investments are pledged to the Collateral Agent as additional collateral for the Obligations pursuant to such agreements as may be reasonably required by the Collateral Agent.

"Permitted Overadvance" means an Overadvance made by the Administrative Agent, in its discretion, which:

- (a) Is made to maintain, protect or preserve the Collateral and/or the Credit Parties' rights under the Loan Documents or which is otherwise for the benefit of the Credit Parties; or
- (b) Is made to enhance the likelihood of, or to maximize the amount of, repayment of any Obligation; or
- (c) Is made to pay any other amount chargeable to any Loan Party hereunder; and
- (d) Together with all other Permitted Overadvances then outstanding, shall not (i) exceed ten percent (10%) of the Borrowing Base at any time or (ii) unless a Liquidation is occurring, remain outstanding for more than forty-five (45) consecutive Business Days, unless in each case, the Required Lenders otherwise agree.

⁴⁴ ~~First Amendment~~

provided however, that the foregoing shall not (i) modify or abrogate any of the provisions of Section 2.03 regarding the Lender's obligations with respect to Letters of Credit, or (ii) result in any claim or liability against the Administrative Agent (regardless of the amount of any Overadvance) for Unintentional Overadvances and such Unintentional Overadvances shall not reduce the amount of Permitted Overadvances allowed hereunder, and further provided that in no event shall the Administrative Agent make an Overadvance, if after giving effect thereto, the principal amount of the Credit Extensions would exceed the Aggregate Commitments (as in effect prior to any termination of the Commitments pursuant to Section 2.06 hereof).

"Permitted Refinancing Indebtedness" shall mean, with respect to any Indebtedness (the "Refinanced Indebtedness"), any Indebtedness issued in exchange for, or the net proceeds of which are used to modify, refinance, refund, renew or extend such Refinanced Indebtedness; provided that (a) the aggregate principal amount (or accreted value, if applicable) thereof does not exceed the aggregate principal amount (or accreted value, if applicable) of the Refinanced Indebtedness outstanding immediately prior to such exchange, modification, refinancing, refunding, renewal or extension, except by an amount equal to the unpaid accrued interest and premium thereon plus other reasonable and customary amounts paid, and reasonable and customary fees and expenses incurred, in connection with such exchange, modification, refinancing, refunding, renewal or extension; and provided, further, that, in the case of Permitted Refinancing Indebtedness incurred in respect of the Term Credit Agreement, the aggregate principal amount thereof shall not exceed the amount permitted to be incurred pursuant to clause (j) of the definition of Permitted Indebtedness, (b) any Permitted Refinancing Indebtedness has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Refinanced Indebtedness, (c) immediately before and after giving effect thereto, no Event of Default shall have occurred and be continuing, (d) if the Refinanced Indebtedness is subordinated in right of payment to the Obligations, any Permitted Refinancing Indebtedness is subordinated in right of payment to the Obligations on terms at least as favorable to the Administrative Agent and the Lenders as those contained in the documentation governing the Refinanced Indebtedness, (e) the primary obligor(s) in respect of any Permitted Refinancing Indebtedness are the primary obligor(s) in respect of the applicable Refinanced Indebtedness, and each Person (if any) that Guarantees, any Permitted Refinancing Indebtedness is a Person (if any) that Guaranteed (or would have been obligated to Guarantee) the applicable Refinanced Indebtedness, (f) to the extent the Refinanced Indebtedness is secured, any such Permitted Refinancing Indebtedness shall be secured by no additional assets of the Loan Parties and their Subsidiaries than the assets securing such Refinanced Indebtedness (except to the extent of after-acquired assets or proceeds of assets that would have secured such Refinanced Indebtedness) and (g) in the case of Permitted Refinancing Indebtedness incurred in respect of the Term Credit Agreement, if such Permitted Refinancing Indebtedness is secured, such Permitted Refinancing Indebtedness and the Liens securing such Permitted Refinancing Indebtedness, shall be subject to the Intercreditor Agreement.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) established by the Lead, sponsored, maintained or contributed to by any Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate, or otherwise with respect to which any Borrower has liability.

“Plan Redemption Payments” means payments to Eligible Persons (as defined in the Employee Stock Plan) for the redemption of restricted Equity Interests issued to such employees pursuant to the Employee Stock Plan, which redemption is required pursuant to the terms of the Employee Stock Plan.⁴⁵

“Plan of Reorganization” means that certain Second Amended Joint Plan of Reorganization of Sportsman’s Warehouse, Inc. and affiliated debtors, dated June 27, 2009, filed in the Chapter 11 Cases and approved by the Bankruptcy Court pursuant to the Confirmation Order.

“Platform” has the meaning specified in Section 6.02.

“Prepayment Event” means:

(a) ~~(a)~~ Any Disposition (including, without limitation, pursuant to any sale and leaseback transaction) of any property or asset of a Loan Party; provided that so long as no Cash Dominion Event then exists or would result therefrom. Dispositions of property or assets in an amount not in excess of \$500,000 in the aggregate in any twelve-month period shall not be deemed a Prepayment Event;

(b) Any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of a Loan Party remain outstanding, other than with respect to the Term Priority Collateral), unless the proceeds therefrom are required to be paid to the holder of a Lien on such property or asset having priority over the Lien of the Collateral Agent ~~or~~;

(c) The issuance by a Loan Party of any Equity Interests, other than any such issuance of Equity Interests (i) to a Loan Party, (ii) as consideration for a Permitted Acquisition or (iii) as a compensatory issuance to any employee, director, or consultant (including under any option plan);

(d) The incurrence by a Loan Party of any Indebtedness for borrowed money other than Permitted Indebtedness; or

(e) The receipt by any Loan Party of any Extraordinary Receipts.

“Public Lender” has the meaning specified in Section 6.02.

“Real Estate” means all real property subject to Leases and all land, together with the buildings, structures, parking areas, and other improvements thereon, now or hereafter owned by any Loan Party, including all easements, rights-of-way, and similar rights relating thereto and all leases, tenancies, and occupancies thereof.

“Real Estate Advance Rate” means 50% from the Closing Date through May 27, 2012, 45% from May 28, 2012 through May 27, 2013 and 40% from the May 28, 2013 through the Maturity Date.

“Real Estate Cap” means at any time of calculation, \$8,000,000.

“Real Estate Eligibility Requirements” means collectively, each of the following:

- (a) ~~The applicable Loan Party has executed and delivered to the Collateral Agent a Mortgage with respect to any Real Estate intended, by such Loan Party, to be included in Eligible Real Estate;~~
- (b) ~~Such Real Estate is used by a Loan Party for offices or as a store or distribution center;~~
- (c) ~~As to any particular property, the Loan Party is in compliance in all material respects with the representations, warranties and covenants set forth in the Mortgage relating to such Real Estate;~~
- (d) ~~The Collateral Agent shall have received fully paid American Land Title Association Lender’s Extended Coverage title insurance policies or marked up title insurance commitments having the effect of a policy of title insurance) (the “Mortgage Policies”) in form and substance, with the endorsements reasonably required by the Agents (to the extent available at commercially reasonable rates) and in amounts reasonably acceptable to the Collateral Agent (provided that such amounts shall not exceed the Appraised Value of the applicable Mortgaged Property), issued, coinsured and reinsured (to the extent required by the Collateral Agent by title insurers reasonably acceptable to the Collateral Agent, insuring the Mortgages to be valid first and subsisting Liens on the property or leasehold interests described therein, free and clear of all defects (including, but not limited to, mechanics’ and materialmen’s Liens) and encumbrances, excepting only those Liens permitted by Section 6.02 having priority over the Lien of the Collateral Agent under applicable Law or otherwise reasonably acceptable to the Collateral Agent;~~
- (e) ~~With respect to any Real Estate owned by a Borrower or any other Loan Party (excluding interests as lessee under a Lease) which is intended by such Borrower or such other Loan Party to be included in Eligible Real Estate, the Collateral Agent shall have received American Land Title Association/American Congress on Surveying and Mapping form surveys, for which all necessary fees (where applicable) have been paid, certified to the Collateral Agent and the issuer of the Mortgage Policies in a manner reasonably satisfactory to the Collateral Agent by a land surveyor duly registered and licensed in the states in which the property described in such surveys is located and reasonably acceptable to the Collateral Agent, showing all buildings and~~

~~other improvements, the location of any easements, parking spaces, rights of way, building set back lines and other dimensional regulations and the absence of encroachments, either by such improvements or on to such property, and other defects, other than encroachments and other defects reasonably acceptable to the Collateral Agent;~~

~~(f) With respect to any Real Estate intended by any Borrower or other Loan Party to be included in Eligible Real Estate, the Collateral Agent shall have received a Phase I Environmental Site Assessment in accordance with ASTM Standard E1527-05, in form and substance reasonably satisfactory to the Collateral Agent, from an environmental consulting firm reasonably acceptable to the Collateral Agent, which report shall identify recognized environmental conditions and shall to the extent possible quantify any related costs and liabilities, associated with such conditions and the Collateral Agent shall be satisfied with the nature and amount of any such matters. The Collateral Agent may, upon the receipt of a Phase I Environmental Site Assessment require the delivery of further environmental assessments or reports to the extent such further assessments or reports are recommended in the Phase I Environmental Site Assessment;~~

~~(g) The applicable Loan Party shall have delivered to the Collateral Agent evidence of flood insurance naming the Collateral Agent as mortgagee as required by the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended and in effect, which shall be reasonably satisfactory in form and substance to the Collateral Agent; and~~

~~(h) The applicable Loan Party shall have delivered such other information and documents as may be reasonably requested by the Agents, including, without limitation, such as may be necessary to comply with FIRREA.~~

~~“Realty Reserves” means such reserves as the Administrative Agent from time to time determines in the Administrative Agent’s discretion as being appropriate to reflect the impediments to the Agents’ ability to realize upon any Eligible Real Estate. Without limiting the generality of the foregoing, Realty Reserves may include (but are not limited to) (i) Environmental Compliance Reserves, (ii) reserves for (A) municipal taxes and assessments, (B) repairs and (C) remediation of title defects, and (iii) reserves for Indebtedness secured by Liens having priority over the Lien of the Collateral Agent.~~

~~“Receivables Advance Rate” means 85%.~~

~~“Receivables Reserves” means such Reserves as may be established from time to time by the Administrative Agent in the Administrative Agent’s discretion with respect to the determination of the collectability in the ordinary course of Eligible Trade Receivables, including, without limitation, Dilution Reserves.~~

~~“Recipient” means, as applicable, (a) any Person to which any payment on account of any obligation of a Loan Party under any Loan Document is made or owed, including the Administrative Agent or any Lender or (b) if any Person described in clause (a) is treated as a pass-through entity for applicable Tax purposes, the beneficial owner of such Person.~~

“Register” has the meaning specified in Section 10.06(c).

“Registered Public Accounting Firm” has the meaning specified by the Securities Laws and shall be independent of the Parent and its Subsidiaries as prescribed by the Securities Laws.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person’s Affiliates.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30 day notice period has been waived.

“Reports” has the meaning provided in Section 9.12(b).

“Request for Credit Extension” means (a) with respect to a Borrowing, conversion or continuation of Committed Loans, a Committed Loan Notice, (b) with respect to an L/C Credit Extension, a Letter of Credit Application, and, if required by the L/C Issuer, a Standby Letter of Credit Agreement or Commercial Letter of Credit Agreement, as applicable, and (c) with respect to a Swing Line Loan, a Swing Line Loan Notice.

“Required Lenders” means, as of any date of determination, Lenders holding more than 50% of the Aggregate Commitments or, if the commitment of each Lender to make Loans and the obligation of the L/C Issuer to make L/C Credit Extensions have been terminated pursuant to Section 8.02, Lenders holding in the aggregate more than 50% of the Total Outstandings (with the aggregate amount of each Lender’s risk participation and funded participation in L/C Obligations and Swing Line Loans being deemed “held” by such Lender for purposes of this definition); provided that the Commitment of, and the portion of the Total Outstandings held or deemed held by, any Defaulting Lender or ~~Deteriorating Lender~~ shall be excluded for purposes of making a determination of Required Lenders.

“Reserves” means all (if any) Inventory Reserves, and Availability ~~Reserves, Realty Reserves, and Receivables~~ Reserves.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer or assistant treasurer of a Loan Party or any of the other individuals designated in writing to the Administrative Agent by an existing Responsible Officer of a Loan Party as an authorized signatory of any certificate or other document to be delivered hereunder. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of any Person or any of its Subsidiaries, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, defeasance, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person’s stockholders, partners or members (or the equivalent of any thereof),

or any option, warrant or other right to acquire any such dividend or other distribution or payment, and any payment or prepayment of principal of, premium, if any, or interest, fees or other charges on or with respect to, and any redemption, purchase, retirement, defeasance, sinking fund or similar payment and any claim for rescission with respect to, any Subordinated Debt. Without limiting the foregoing, "Restricted Payments" with respect to any Person shall also include all payments made by such Person with any proceeds of a dissolution or liquidation of such Person.

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

"Sarbanes-Oxley" means the Sarbanes-Oxley Act of 2002.

~~"Scheduled Payment Conditions" [term deleted].~~⁴⁶

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"Second Amendment" means the Second Amendment to Credit Agreement dated as of the Second Amendment Effective Date among the Loan Parties, the Agents and the Lenders.

"Second Amendment Effective Date" means November 13, 2012.

"Secured Rate Contracts" means Swap Contracts.

"Securities Laws" means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley, and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the PCAOB.

"Security Agreement" means the Security Agreement dated as of the Closing Date among the Loan Parties and the Collateral Agent, as amended, restated, supplemented or otherwise modified and in effect from time to time.

"Security Documents" means the Security Agreement, the Blocked Account Agreements, the Mortgages, the DDA Notifications, the Credit Card Notifications, and each other security agreement or other instrument or document executed and delivered to the Collateral Agent pursuant to this Agreement or any other Loan Document granting a Lien to secure any of the Obligations.

"Senior Executive Officers" means the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, President, Treasurer or Assistant Treasurer of each Borrower.

"Settlement Date" has the meaning provided in Section 2.14(a).

⁴⁶ ~~First Amendment~~

“Shareholders’ Equity” means, as of any date of determination, consolidated shareholders’ equity of the Parent and its Subsidiaries as of that date determined in accordance with GAAP.

“Shrink” means Inventory which has been lost, misplaced, stolen, or is otherwise unaccounted for.

“Shrink Reserve” means an amount reasonably estimated by the Agents to be equal to that amount which is required in order that the Shrink reflected in Borrowers’ stock ledger would be reasonably equivalent to the Shrink calculated as part of the Borrowers’ most recent physical inventory.

“Solvent” and “Solvency” means, with respect to any Person on a particular date, that on such date (a) at fair valuation, all of the properties and assets of such Person are greater than the sum of the debts, including contingent liabilities, of such Person, (b) the present fair saleable value of the properties and assets of such Person is not less than the amount that would be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person is able to realize upon its properties and assets and pay its debts and other liabilities, contingent obligations and other commitments as they mature in the normal course of business, (d) such Person does not intend to, and does not believe that it will, incur debts beyond such Person’s ability to pay as such debts mature, and (e) such Person is not engaged in a business or a transaction, and is not about to engage in a business or transaction, for which such Person’s properties and assets would constitute unreasonably small capital after giving due consideration to the prevailing practices in the industry in which such Person is engaged. The amount of all guarantees at any time shall be computed as the amount that, in light of all the facts and circumstances existing at the time, can reasonably be expected to become an actual or matured liability.

“Sponsor” means New SEP SWH Holdings, L.P., a Delaware limited partnership.

~~“Sponsor Note” means that certain promissory note executed by Borrowers in favor of Sponsor in the principal amount of \$12,000,000 (plus paid in kind interest added thereto), as amended, restated, supplemented or otherwise modified from time to time (so long as such amendment, restatement, supplement or modification is not prohibited by this Agreement or the Subordination Agreement).~~

~~“Sponsor Note Payment Conditions” [term deleted].¹⁷~~

~~“Sponsor Security Agreement” means that certain SEP Security Agreement dated as of August 14, 2009 by and among Sportsman’s Warehouse Holdings, Inc., Sportsman’s Warehouse, Inc., and Pacific Flyway Wholesale, LLC and Sponsor, as amended, restated, supplemented or otherwise modified from time to time (so long as such amendment, restatement, supplement or modification is not prohibited by this Agreement or the Subordination Agreement).~~

¹⁷ First Amendment

“Standby Letter of Credit” means any Letter of Credit that is not a Commercial Letter of Credit and that (a) is used in lieu or in support of performance guaranties or performance, surety or similar bonds (excluding appeal bonds) arising in the ordinary course of business, (b) is used in lieu or in support of stay or appeal bonds, (c) supports the payment of insurance premiums for reasonably necessary casualty insurance carried by any of the Loan Parties, or (d) supports payment or performance for identified purchases or exchanges of products or services in the ordinary course of business.

“Standby Letter of Credit Agreement” means the Standby Letter of Credit Agreement relating to the issuance of a Standby Letter of Credit in the form from time to time in use by the L/C Issuer.

“Stated Amount” means at any time the maximum amount for which a Letter of Credit may be honored.

“Statutory Reserve Rate” means 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) expressed as a decimal established by the FRB to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency Liabilities” in Regulation D of the Board). Such reserve percentages shall include those imposed pursuant to such Regulation D. LIBO Rate Loans shall be deemed to constitute eurocurrency funding 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 or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“Store” means any retail store (which may include a Borrower’s interest in any real property, fixtures, equipment, inventory and other property related thereto) operated, or to be operated, by any Loan Party.

“Subordinated Debt” means the Indebtedness of the Borrowers evidenced by the ~~Sponsor Note, the Cash Flow Payment~~ Payments and any other Indebtedness of any Credit Party subordinated in right of payment to the Obligations (specifically excluding from Subordinated Debt any capital lease payments) in a manner and form satisfactory to Administrative Agent and Lenders in their reasonable discretion, as to right and time of payment and as to any other rights and remedies thereunder. ~~For the avoidance of doubt, the Trade Credit shall not be Subordinated Debt hereunder.~~

~~“Subordination Agreement” means that certain Intercreditor and Subordination Agreement dated as of August 14, 2009 by and among the agent under the Existing Credit Agreement, on behalf of itself and the lenders thereunder, Sponsor and Trade Credit Agent, on behalf of itself and the Trade Creditors, as amended, restated, supplemented or otherwise modified from time to time.~~

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the Equity Interests having ordinary voting power for the

election of directors or other governing body are at the time beneficially owned, or the management of which is otherwise controlled, directly, or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of a Loan Party.

"Swap Contract" means (a) 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 (b) 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.

"Swap Termination Value" means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Swing Line" means the revolving credit facility made available by the Swing Line Lender pursuant to Section 2.04.

"Swing Line Borrowing" means a borrowing of a Swing Line Loan pursuant to Section 2.04.

"Swing Line Lender" means Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC) in its capacity as provider of Swing Line Loans, or any successor swing line lender hereunder.

"Swing Line Loan" has the meaning specified in Section 2.04(a).

"Swing Line Loan Notice" means a notice of a Swing Line Borrowing pursuant to Section 2.04(b), which, if in writing, shall be substantially in the form of Exhibit B.

“Swing Line Note” means the promissory note of the Borrowers substantially in the form of Exhibit C-2, payable to the order of the Swing Line Lender, evidencing the Swing Line Loans made by the Swing Line Lender.

“Swing Line Sublimit” means an amount equal to the lesser of (a) \$7,500,000 and (b) the Aggregate Commitments. The Swing Line Sublimit is part of, and not in addition to, the Aggregate Commitments.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property (including sale and leaseback transactions), in each case, creating obligations that do not appear on the balance sheet of such Person but which, upon the application of any Debtor Relief Laws to such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

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

“Term Agent” means Credit Suisse AG, as administrative agent and collateral agent under the Term Documents or any future administrative agent or collateral agent under the Term Documents and party to the Intercreditor Agreement.

“Term Credit Agreement” means that certain Credit Agreement dated as of the Second Amendment Effective Date, among the Loan Parties, the lenders party thereto, and the Term Agent, pursuant to which the Term Loans were made, as amended, amended and restated, supplemented, extended or otherwise modified from time to time in accordance with the provisions hereof and of the Intercreditor Agreement, and any replacement credit agreement entered into pursuant to any Permitted Refinancing Indebtedness in respect thereof.

“Term Documents” means the “Loan Documents” (as defined in the Term Credit Agreement as in effect on the Second Amendment Effective Date), as may be amended from time to time in accordance with the provisions hereof and of the Intercreditor Agreement.

“Term Loans” means the “Loans” or “Term Loans”, each as defined in the Term Credit Agreement as in effect as of the Second Amendment Effective Date.

“Term Loan Priority Account” has the meaning set forth for such term in the Intercreditor Agreement as in effect as of the Second Amendment Effective Date.

“Term Obligations” has the meaning set forth for such term in the Intercreditor Agreement as in effect as of the Second Amendment Effective Date.

“Term Priority Collateral” has the meaning set forth for such term in the Intercreditor Agreement as in effect as of the Second Amendment Effective Date.

“Termination Date” means the earliest to occur of (i) the Maturity Date, (ii) the date on which the maturity of the Obligations is accelerated (or deemed accelerated) and the Commitments are irrevocably terminated (or deemed terminated) in accordance with Article VII, or (iii) the termination of the Commitments in accordance with the provisions of Section 2.06(a) hereof.

“Total Outstandings” means the aggregate Outstanding Amount of all Loans and all L/C Obligations.

~~“Trade Credit” means that certain Trade Credit extended by the Trade Creditors to the Borrowers pursuant to the Trade Credit Documents.~~

~~“Trade Credit Agent” shall mean Wilmington Trust FSB, as the Trade Credit Agent for the Trade Creditors, together with its successors and assigns.~~

~~“Trade Credit Agent Agreement” shall mean the Trade Credit Agent Agreement dated as of August 14, 2009 by and among the Trade Credit Agent and the Trade Creditors, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“Trade Credit Commitment Letters” has the meaning ascribed to it in the Trade Credit Agent Agreement.~~

~~“Trade Credit Documents” shall mean, collectively, the Trade Credit Commitment Letters, the Trade Credit Agent Agreement, the Trade Credit Security Agreement, the Subordination Agreement, any other intercreditor agreement, security agreements, and any other agreements, documents and instruments concurrently or at any time hereafter executed by the Borrowers in connection with the Trade Credit Commitment Letters, in each case, as amended, restated, supplemented or otherwise modified from time to time.~~

~~“Trade Creditors” has the meaning ascribed to it in the Trade Credit Agent Agreement.~~

~~“Trade Credit Security Agreement” shall mean the Trade Credit Security Agreement dated as of August 14, 2009 by and among Sportsman’s Warehouse Holdings, Inc., Sportsman’s Warehouse, Inc., and Pacific Flyway Wholesale, LLC and the Trade Credit Agent, as amended, restated, supplemented or otherwise modified from time to time.~~

“Trading with the Enemy Act” has the meaning set forth in Section 10.18.

“Type” means, with respect to a Committed Loan, its character as a Base Rate Loan or a LIBO Rate Loan.

“UCC” or “Uniform Commercial Code” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that if a term is defined in Article 9 of the Uniform Commercial Code differently than in another Article thereof, the term shall have the meaning set forth in Article 9; provided further that, if by reason of mandatory provisions of law, perfection, or the effect of perfection or non-perfection, of a security interest in any Collateral or the availability of any remedy hereunder is governed by the Uniform Commercial Code as in effect in a jurisdiction other than State of

New York, "Uniform Commercial Code" means the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection or availability of such remedy, as the case may be.

"UCP" means, with respect to any Letter of Credit, the Uniform Customs and Practice for Documentary Credits 2007 Revision, International Chamber of Commerce Publication No. 600 and any subsequent revision thereof adopted by the International Chamber of Commerce on the date such Letter of Credit is issued.

"UFCA" has the meaning specified in Section 10.21(d).

"UFTA" has the meaning specified in Section 10.21(d).

"Unfunded Pension Liability" means the excess of a Pension Plan's benefit liabilities under Section 4001(a)(16) of ERISA, over the current value of that Pension Plan's assets, determined in accordance with the assumptions used for funding the Pension Plan pursuant to Section 412 of the Code for the applicable plan year.

"Unintentional Overadvance" means an Overadvance which, to the Administrative Agent's knowledge, did not constitute an Overadvance when made but which has become an Overadvance resulting from changed circumstances beyond the control of the Credit Parties, including, without limitation, a reduction in the Appraised Value of property or assets included in the Borrowing Base or misrepresentation by the Loan Parties.

"United States" and "U.S." mean the United States of America.

~~"Unreimbursed Amount" has the meaning specified in Section 2.03(c)(i).~~

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

"Wells Fargo" means Wells Fargo Bank, ~~N.A.~~ National Association and its successors.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(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 or other

document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "herein," "hereof" and "hereunder." and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) 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.

(b) 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."

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) Any reference herein or in any other Loan Document to the satisfaction, repayment, or payment in full of the Obligations shall mean (i) the repayment in Dollars in full in cash or immediately available funds of all of the Obligations (other than contingent indemnification obligations for which no claim has then been asserted), (ii) the termination of the Aggregate Commitments, and (iii) the return (without drawing) or expiration of all outstanding Letters of Credit.

1.03 Accounting Terms

(a) Generally. 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 on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Lead Borrower or the Required Lenders shall so request, the Administrative Agent, the Lenders and the Lead Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Required Lenders); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Lead

Borrower shall provide to the Administrative Agent and the Lenders financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04 Rounding. Any financial ratios required to be maintained by the Borrowers pursuant to 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 (with a rounding-up if there is no nearest number).

1.05 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

1.06 Letter of Credit Amounts. Unless otherwise specified, all references herein to 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; provided, however, that with respect to any Letter of Credit that, by its terms of any Issuer Documents related thereto, provides for one or more automatic increases in the Stated Amount thereof, the amount of such Letter of Credit 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.

ARTICLE II THE COMMITMENTS AND CREDIT EXTENSIONS

2.01 Committed Loans; Reserves. (a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make loans (each such loan, a "Committed Loan") to the Borrower from time to time, on any Business Day during the Availability Period, in an aggregate amount not to exceed at any time outstanding the lesser of (x) the amount of such Lender's Commitment, or (y) such Lender's Applicable Percentage of the Borrowing Base; subject in each case to the following limitations:

(i) after giving effect to any Committed Borrowing, the Total Outstandings shall not exceed the lesser of (A) the Aggregate Commitments, or (B) the Borrowing Base Loan Cap.

(ii) after giving effect to any Committed Borrowing, the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment,

(iii) The Outstanding Amount of all L/C Obligations shall not at any time exceed the Letter of Credit Sublimit

Within the limits of each Lender's Commitment, and subject to the other terms and conditions hereof, the Borrower may borrow under this Section 2.01, prepay under Section 2.05, and reborrow under this Section 2.01. Committed Loans may be Base Rate Loans or LIBO Rate Loans, as further provided herein.

(b) ~~The following are the~~ Inventory Reserves and Availability Reserves as of the Closing Date:

~~(i) Shrink Reserve (an Inventory Reserve): An amount equal to 0.85% of the Cost of Inventory on hand at retail Stores as of the end of each Fiscal Quarter, and \$100,000 with respect to the Inventory at wholesale, as such shrink reserve may be adjusted based on current trends, and subject to the reasonable business judgment of the Administrative Agent;~~

~~(ii) Rent Reserve (an Availability Reserve): An amount equal to two (2) months' rent for all of the Borrowers' leased locations in each Landlord Lien State, other than leased locations with respect to which the Collateral Agent has received a Collateral Access Agreement in form reasonably satisfactory to the Collateral Agent;~~

~~(iii) Customer Deposits Reserve (an Availability Reserve): An amount equal to fifty percent (50%) of the Customer Deposits; and~~

~~(iv) Customer Credit Liabilities Reserve (an Availability Reserve): An amount equal to fifty percent (50%) of the Customer Credit Liabilities (except an amount equal to one hundred percent (100%) with respect to layaways), as reflected in the Borrowers' books and records. Second Amendment Effective Date are set forth in the Borrowing Base Certificate delivered pursuant to Section 4(h) of the Second Amendment.~~

(c) The Administrative Agent shall have the right, at any time and from time to time after the Closing Date in its discretion to establish, modify or eliminate Reserves.

2.02 Borrowings, Conversions and Continuations of Committed Loans.

(a) Committed Loans (other than Swing Line Loans) shall be either Base Rate Loans or LIBO Rate Loans as the Lead Borrower may request subject to and in accordance with this Section 2.02. All Swing Line Loans shall be only Base Rate Loans. Subject to the other provisions of this Section 2.02, Committed Borrowings of more than one Type may be incurred at the same time.

(b) Each Committed Borrowing, each conversion of Committed Loans from one Type to the other, and each continuation of LIBO Rate Loans shall be made upon the Lead Borrower's irrevocable notice to the Administrative Agent, which may be given by telephone. Each such notice must be received by the Administrative Agent not later than 11:00 a.m. (i) three Business Days prior to the requested date of any Borrowing of, conversion to or continuation of LIBO Rate Loans or of any conversion of LIBO Rate Loans to Base Rate Loans, and (ii) one Business Day prior to the requested date of any Borrowing of Base Rate Loans. Each telephonic notice by the Lead Borrower pursuant to this Section 2.02(b) must be confirmed promptly by delivery to the Administrative Agent of a written Committed Loan Notice, appropriately completed and signed by a Responsible Officer of the Lead Borrower. Each Borrowing of, conversion to or continuation of LIBO Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof. Each Committed Loan

Notice (whether telephonic or written) shall specify (i) whether the Lead Borrower is requesting a Committed Borrowing, a conversion of Committed Loans from one Type to the other, or a continuation of LIBO Rate Loans, (ii) the requested date of the Borrowing, conversion or continuation, as the case may be (which shall be a Business Day), (iii) the principal amount of Committed Loans to be borrowed, converted or continued, (iv) the Type of Committed Loans to be borrowed or to which existing Committed Loans are to be converted, and (v) if applicable, the duration of the Interest Period with respect thereto. If the Lead Borrower fails to specify a Type of Committed Loan in a Committed Loan Notice or if the Lead Borrower fails to give a timely notice requesting a conversion or continuation, then the applicable Committed Loans shall be made as, or converted to, Base Rate Loans. Any such automatic conversion to Base Rate Loans shall be effective as of the last day of the Interest Period then in effect with respect to the applicable LIBO Rate Loans. If the Lead Borrower requests a Borrowing of, conversion to, or continuation of LIBO Rate Loans in any such Committed Loan Notice, but fails to specify an Interest Period, it will be deemed to have specified an Interest Period of one month. Notwithstanding anything to the contrary herein, a Swing Line Loan may not be converted to a LIBO Rate Loan.

(c) Following receipt of a Committed Loan Notice, the Administrative Agent shall promptly notify each Lender of the amount of its Applicable Percentage of the applicable Committed Loans, and if no timely notice of a conversion or continuation is provided by the Lead Borrower, the Administrative Agent shall notify each Lender of the details of any automatic conversion to Base Rate Loans described in Section 2.02(b). In the case of a Committed Borrowing, each Lender shall make the amount of its Committed Loan available to the Administrative Agent in immediately available funds at the Administrative Agent's Office not later than 1:00 p.m. on the Business Day specified in the applicable Committed Loan Notice. Upon satisfaction of the applicable conditions set forth in Section 4.02 (and, if such Borrowing is the initial Credit Extension, Section 4.01), the Administrative Agent shall use reasonable efforts to make all funds so received available to the Borrowers in like funds by no later than 4:00 p.m. on the day of receipt by the Administrative Agent either by (i) crediting the account of the Lead Borrower on the books of Wells Fargo with the amount of such funds or (ii) wire transfer of such funds, in each case in accordance with instructions provided to (and reasonably acceptable to) the Administrative Agent by the Lead Borrower; ~~provided, however, that if, on the date the Committed Loan Notice with respect to such Borrowing is given by the Lead Borrower, there are L/C Borrowings outstanding, then the proceeds of such Borrowing, first, shall be applied to the payment in full of any such L/C Borrowings, and second, shall be made available to the Borrowers as provided above.~~

(d) The Administrative Agent, without the request of the Lead Borrower, may advance any interest, fee, service charge, Credit Party Expenses, or other payment to which any Credit Party is entitled from the Loan Parties pursuant hereto or any other Loan Document and may charge the same to the Loan Account notwithstanding that an Overadvance may result thereby. The Administrative Agent shall advise the Lead Borrower of any such advance or charge promptly after the making thereof. Such action on the part of the Administrative Agent shall not constitute a waiver of the Administrative Agent's rights and the Borrowers' obligations under Section 2.05(c). Any amount which is added to the principal balance of the Loan Account as provided in this Section 2.02(d) shall bear interest at the interest rate then and thereafter applicable to Base Rate Loans.

(e) Except as otherwise provided herein, a LIBO Rate Loan may be continued or converted only on the last day of an Interest Period for such LIBO Rate Loan. During the existence of a Default, no Loans may be requested as, converted to or continued as LIBO Rate Loans without the Consent of the Required Lenders.

(f) The Administrative Agent shall promptly notify the Lead Borrower and the Lenders of the interest rate applicable to any Interest Period for LIBO Rate Loans upon determination of such interest rate. At any time that Base Rate Loans are outstanding, the Administrative Agent shall notify the Lead Borrower and the Lenders of any change in Wells Fargo's prime rate used in determining the Base Rate promptly following the public announcement of such change.

(g) After giving effect to all Committed Borrowings, all conversions of Committed Loans from one Type to the other, and all continuations of Committed Loans as the same Type, there shall not be more than 3 Interest Periods in effect with respect to LIBO Rate Loans.

(h) The Administrative Agent, the Lenders, the Swing Line Lender and the L/C Issuer shall have no obligation to make any Loan or to provide any Letter of Credit if an Overadvance would result. The Administrative Agent may, in its discretion, make Permitted Overadvances without the consent of the Borrowers, the Lenders, the Swing Line Lender and the L/C Issuer and the Borrowers and each Lender and L/C Issuer shall be bound thereby. Any Permitted Overadvance may constitute a Swing Line Loan. A Permitted Overadvance is for the account of the Borrowers and shall constitute a Base Rate Loan and an Obligation and shall be repaid by the Borrowers in accordance with the provisions of Section 2.05(c). The making of any such Permitted Overadvance on any one occasion shall not obligate the Administrative Agent or any Lender to make or permit any Permitted Overadvance on any other occasion or to permit such Permitted Overadvances to remain outstanding. The making by the Administrative Agent of a Permitted Overadvance shall not modify or abrogate any of the provisions of Section 2.03 regarding the Lenders' obligations to purchase participations with respect to Letter of Credits or of Section 2.04 regarding the Lenders' obligations to purchase participations with respect to Swing Line Loans. The Administrative Agent shall have no liability for, and no Loan Party or Credit Party shall have the right to, or shall, bring any claim of any kind whatsoever against the Administrative Agent with respect to Unintentional Overadvances regardless of the amount of any such Overadvance(s).

2.03 Letters of Credit.

(a) ~~The Letter of Credit Commitment.~~ Subject to the terms and conditions of this Agreement, upon the request of the Lead Borrower made in accordance herewith, and prior to the Maturity Date, the L/C Issuer agrees to issue requested Letters of Credit for the account of the Loan Parties. By submitting a request to the L/C Issuer for the issuance of a Letter of Credit, the Borrowers shall be deemed to have requested that the L/C Issuer issue the requested Letter of Credit. Each request for the issuance of a Letter of Credit, or the amendment, renewal, or extension of any outstanding Letter of Credit, shall be irrevocable and shall be made in writing pursuant to a Letter of Credit Application by a Responsible Officer and delivered to the L/C Issuer and the Administrative Agent via telefacsimile or other electronic method of transmission reasonably acceptable to the L/C Issuer not later than 11:00 a.m. at least two Business Days (or such other date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the requested date of issuance, amendment, renewal, or extension. Each such request shall be in form and substance reasonably satisfactory to the L/C Issuer and (i) shall specify (A) the amount of such Letter of Credit, (B) the date of issuance, amendment, renewal, or extension of such Letter of Credit, (C) the proposed expiration date of such Letter of Credit, (D) the name and address of the beneficiary of the Letter of Credit, and (E) such other information (including, the conditions to drawing, and, in the case of an amendment, renewal, or extension, identification of the Letter of Credit to be so amended, renewed, or extended) as shall be necessary to prepare, amend, renew, or extend

such Letter of Credit, and (ii) shall be accompanied by such Issuer Documents as the Administrative Agent or the L/C Issuer may request or require, to the extent that such requests or requirements are consistent with the Issuer Documents that the L/C Issuer generally requests for Letters of Credit in similar circumstances. The Administrative Agent's records of the content of any such request will be conclusive.

(b) (i) Subject to the terms and conditions set forth herein, (A) the Administrative Agent, in reliance upon the agreements of the Lenders set forth in this Section 2.03, shall endeavor to cause the L/C Issuer from time to time on any Business Day during the period from the Closing Date until the Letter of Credit Expiration Date, to issue Letters of Credit for the account of the Borrowers, and to amend or extend Letters of Credit previously issued by it, in accordance with Section 2.03(b) below; and (B) the Lenders severally agree to participate in Letters of Credit issued for the account of the Borrowers and any drawings thereunder; provided that after giving effect to any L/C Credit Extension with respect to any Letter of Credit, (x) the Total Outstandings shall not exceed the lesser of the Aggregate Commitments or the Borrowing Base, (y) the Loan Cap, (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans shall not exceed such Lender's Commitment, and (z) the Outstanding Amount of the L/C Obligations shall not exceed the Letter of Credit Sublimit. Each request by the Lead Borrower for the issuance or amendment of a Letter of Credit shall be deemed to be a representation by the Borrowers that the L/C Credit Extension so requested complies with the conditions set forth in the proviso to the preceding sentence. Within the foregoing limits, and subject to the terms and conditions hereof, the Borrowers' ability to obtain Letters of Credit shall be fully revolving, and accordingly the Borrowers may, during the foregoing period, obtain Letters of Credit to replace Letters of Credit that have expired or that have been drawn upon and reimbursed. Any L/C Issuer (other than Wells Fargo or any of its Affiliates) shall notify the Administrative Agent in writing on each Business Day of all Letters of Credit issued on the prior Business Day by such L/C Issuer.

(ii) No Letter of Credit shall be issued if:

(A) subject to Section 2.03(b)(iii), the expiry date of such requested Standby Letter of Credit would occur more than twelve months after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(B) subject to Section 2.03(b)(iii), the expiry date of such requested Commercial Letter of Credit would occur more than 120 days after the date of issuance or last extension, unless the Required Lenders have approved such expiry date; or

(C) the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless either such Letter of Credit is Cash Collateralized on or prior to the Letter of Credit Expiration Date or all the Lenders have approved such expiry date.

(iii) No Letter of Credit shall be issued without the prior consent of the Administrative Agent if:

~~(c) (A) any order, judgment~~In the event there is a Defaulting Lender as of the date of any request for the issuance of a Letter of Credit, the L/C Issuer shall not be required to issue or arrange for such Letter of Credit to the extent (i) the Defaulting Lender's participation with respect to such Letter of Credit may not be reallocated pursuant to Section 9.16(b), or (ii) the L/C Issuer has not otherwise entered into arrangements reasonably satisfactory to it and the Borrowers to eliminate the L/C Issuer's risk with respect to the participation in such Letter of Credit of the Defaulting Lender, which arrangements may include the Borrowers cash collateralizing such Defaulting Lender's participation with respect to such Letter of Credit in accordance with Section 9.16(b). Additionally, the L/C Issuer shall have no obligation to issue a Letter of Credit if (A) any order, judgment, or decree of any Governmental Authority or arbitrator shall, by its terms, purport to enjoin or restrain the L/C Issuer from issuing such Letter of Credit, or any Law applicable to the L/C Issuer or any request or directive (whether or not having the force of law~~Law~~) from any Governmental Authority with jurisdiction over the L/C Issuer shall prohibit; or request that the L/C Issuer refrain from; the issuance of letters of credit generally or such Letter of Credit in particular or shall impose upon the L/C Issuer with respect to such Letter of Credit any restriction, reserve or capital requirement (for which the L/C Issuer is not otherwise compensated hereunder) not in effect on the Closing Date, or shall impose upon the L/C Issuer any unreimbursed loss, cost or expense which was not applicable on the Closing Date and which the L/C Issuer in good faith deems material to it; , or (B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally, or (C) if the expiry date of such requested Letter of Credit would occur after the Letter of Credit Expiration Date, unless either such Letter of Credit is Cash Collateralized on or prior to the date of issuance of such Letter of Credit (or such later date as to which the Administrative Agent may agree) or all the Lenders have approved such expiry date.

~~(B) the issuance of such Letter of Credit would violate one or more policies of the L/C Issuer applicable to letters of credit generally;~~

~~(C) except as otherwise agreed by the Administrative Agent and the L/C Issuer, such Letter of Credit is in an initial Stated Amount less than \$100,000, in the case of a Commercial Letter of Credit, or \$500,000, in the case of a Standby Letter of Credit;~~

~~(D) such Letter of Credit is to be denominated in a currency other than Dollars; provided that if the L/C Issuer, in its discretion, issues a Letter of Credit denominated in a currency other than Dollars, all reimbursements by the Borrowers of the honoring of any drawing under such Letter of Credit shall be paid in the currency in which such Letter of Credit was denominated;~~

~~(E) such Letter of Credit contains any provisions for automatic reinstatement of the Stated Amount after any drawing thereunder; or~~

~~(F) a default of any Lender's obligations to fund under Section 2.03(c) exists or any Lender is at such time a Defaulting Lender or Deteriorating Lender hereunder, unless the Administrative Agent or L/C Issuer has entered into satisfactory~~

arrangements with the Borrowers or such Lender to eliminate the L/C Issuer's risk with respect to such Lender.

(iv) ~~The Borrowers shall not permit any Letter of Credit to be amended if (A) the L/C Issuer would not be permitted 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.~~

(v) ~~The L/C Issuer shall act on behalf of the lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C 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 Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.~~

(b) Procedures for Issuance and Amendment of Letters of Credit/Auto Extension Letters of Credit:

(i) ~~Each Letter of Credit shall be issued or amended, as the case may be, upon the request of the Lead Borrower delivered to the L/C Issuer (with a copy to the Administrative Agent) in the form of a Letter of Credit Application, appropriately completed and signed by a Responsible Officer of the Lead Borrower. Such Letter of Credit Application must be received by the L/C Issuer and the Administrative Agent not later than 11:00 a.m. at least two Business Days (or such other date and time as the Administrative Agent and the L/C Issuer may agree in a particular instance in their sole discretion) prior to the proposed issuance date or date of amendment, as the case may be. In the case of a request for an initial issuance of a Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the Administrative Agent and the L/C Issuer: (A) the proposed issuance date of the requested Letter of Credit (which shall be a Business Day); (B) the 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; and (G) such other matters as the Administrative Agent or L/C Issuer may require. In the case of a request for an amendment of any outstanding Letter of Credit, such Letter of Credit Application shall specify in form and detail satisfactory to the Administrative Agent and the L/C Issuer (A) the Letter of Credit to be amended; (B) the proposed date of amendment thereof (which shall be a Business Day); (C) the nature of the proposed amendment; and (D) such other matters as the Administrative Agent or the L/C Issuer may require. Additionally, the Lead Borrower shall furnish to the L/C 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 L/C Issuer or the Administrative Agent may require.~~

(ii) ~~Unless the L/C Issuer has received written notice from any Lender, the Administrative Agent or any Loan Party, at least one Business Day prior to the requested date of~~

issuance or amendment of the applicable Letter of Credit, that one or more applicable conditions contained in Article IV shall not then be satisfied, then, subject to the terms and conditions hereof, the L/C Issuer shall, on the requested date, endeavor to issue a Letter of Credit for the account of the applicable Borrower or enter into the applicable amendment, as the case may be, in each case in accordance with the L/C Issuer's usual and customary business practices. Immediately upon the issuance or amendment of each Letter of Credit, each Lender shall be deemed to (without any further action), and hereby irrevocably and unconditionally agrees to, purchase from the L/C Issuer, without recourse or warranty, a risk participation in such Letter of Credit in an amount equal to the product of such Lender's Applicable Percentage ~~times~~ the amount of such Letter of Credit. Upon any change in the Commitments under this Agreement, it is hereby agreed that with respect to all L/C Obligations, there shall be an automatic adjustment to the participations hereby created to reflect the new Applicable Percentages of the assigning and assignee Lenders.

(iii) If the Lead Borrower so requests in any applicable Letter of Credit Application, the Administrative Agent may, in its sole and absolute discretion, endeavor to cause the L/C Issuer to issue a Standby 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 L/C Issuer to prevent any such extension at least once in each twelve-month period (commencing with the date of issuance of such Standby Letter of Credit) by giving prior notice to the beneficiary thereof not later than a day (the "Non Extension Notice Date") in each such twelve-month period to be agreed upon at the time such Standby Letter of Credit is issued. Unless otherwise directed by the Administrative Agent or the L/C Issuer, the Lead Borrower shall not be required to make a specific request to the Administrative Agent or the L/C 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 L/C Issuer to permit the extension of such Standby Letter of Credit at any time to an expiry date not later than the Letter of Credit Expiration Date; provided, however, that the Administrative Agent shall instruct the L/C Issuer not to permit any such extension if (A) the Administrative Agent has determined that it would not be permitted, or would have no obligation, at such time to endeavor to cause the L/C Issuer to issue such Standby Letter of Credit in its revised form (as extended) under the terms hereof (by reason of the provisions of clause (ii) or (iii) of Section 2.02(a) or otherwise), or (B) the L/C Issuer has received notice (which may be by telephone or in writing) on or before the day that is five Business Days before the Non-Extension Notice Date (1) from the Administrative Agent that the Required Lenders have elected not to permit such extension or (2) from the Administrative Agent, any Lender or the Lead Borrower that one or more of the applicable conditions specified in Section 4.02 is not then satisfied, and in each such case directing the L/C Issuer not to permit such extension.

(iv) Promptly after its delivery of any Letter of Credit or any amendment to a Letter of Credit to an advising bank with respect thereto or to the beneficiary thereof, the L/C Issuer will also deliver to the Lead Borrower and the Administrative Agent a true and complete copy of such Letter of Credit or amendment.

(e) Drawings and Reimbursements; Funding of Participations.

(i) Upon receipt from the beneficiary of any Letter of Credit of any notice of a drawing under such Letter of Credit, the Administrative Agent shall notify the Lead Borrower thereof; ~~provided, however,~~ that any failure to give or delay in giving such notice shall not relieve the Borrowers of their obligation to reimburse the L/C Issuer and the Lenders with respect to any such payment. Not later than 11:00 a.m. on the date of any payment by the L/C Issuer under a Letter of Credit (each such date, an "Honor Date"), the Borrowers shall reimburse the L/C Issuer through the Administrative Agent in an amount equal to the amount of such drawing. If the Borrowers fail to so reimburse the L/C Issuer by such time, the Administrative Agent shall promptly notify each Lender of the Honor Date, the amount of the unreimbursed drawing (the "Unreimbursed Amount"), and the amount of such Lender's Applicable Percentage thereof. In such event, the Borrowers shall be deemed to have requested a Committed Borrowing of Base Rate Loans to be disbursed on the Honor Date in an amount equal to the Unreimbursed Amount, without regard to the minimum and multiples specified in Section 2.02 for the principal amount of Base Rate Loans, but subject to the amount of the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02 (other than the delivery of a Committed Loan Notice). Any notice given by the L/C Issuer or the Administrative Agent pursuant to this Section 2.03(c)(i) may be given by telephone if immediately confirmed in writing; ~~provided~~ that the lack of such an immediate confirmation shall not affect the conclusiveness or binding effect of such notice.

(ii) Each Lender shall upon any notice pursuant to Section 2.03(c)(i) make funds available to the Administrative Agent for the account of the L/C Issuer at the Administrative Agent's Office in an amount equal to its Applicable Percentage of the Unreimbursed Amount not later than 1:00 p.m. on the Business Day specified in such notice by the Administrative Agent, whereupon, subject to the provisions of Section 2.03(c)(iii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrowers in such amount. The Administrative Agent shall remit the funds so received to the L/C Issuer.

(iii) With respect to any Unreimbursed Amount that is not fully refinanced by a Committed Borrowing of Base Rate Loans because the conditions set forth in Section 4.02 cannot be satisfied or for any other reason, the Borrowers shall be deemed to have incurred from the L/C Issuer an L/C Borrowing in the amount of the Unreimbursed Amount that is not so refinanced, which L/C Borrowing shall be due and payable on demand (together with interest) and shall bear interest at the Default Rate. In such event, each Lender's payment to the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(ii) shall be deemed payment in respect of its participation in such L/C Borrowing and shall constitute an L/C Advance from such Lender in satisfaction of its participation obligation under this Section 2.03.

(iv) Until each Lender funds its Committed Loan or L/C Advance pursuant to this Section 2.03(c) to reimburse the L/C Issuer for any amount drawn under any Letter of Credit, interest in respect of such Lender's Applicable Percentage of such amount shall be solely for the account of the L/C Issuer.

(v) Each Lender's obligation to make Committed Loans or L/C Advances to reimburse the L/C Issuer for amounts drawn under Letters of Credit, as contemplated by this Section

~~2.03(c)~~, not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the L/C Issuer, any Borrower or any other Person for any reason whatsoever; (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section 2.03(c) is subject to the conditions set forth in Section 4.02 (other than delivery by the Lead Borrower of a Committed Loan Notice). No such making of an L/C Advance shall relieve or otherwise impair the obligation of the Borrowers to reimburse the L/C Issuer for the amount of any payment made by the L/C Issuer under any Letter of Credit, together with interest as provided herein.

(vi) If any Lender fails to make available to the Administrative Agent for the account of the L/C Issuer any amount required to be paid by such Lender pursuant to the foregoing provisions of this ~~Section 2.03(c)~~ by the time specified in ~~Section 2.03(c)(ii)~~, the L/C Issuer shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the L/C Issuer at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the L/C Issuer in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the L/C Issuer in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or L/C Advance in respect of the relevant L/C Borrowing, as the case may be. A certificate of the L/C Issuer submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (vi) shall be conclusive absent manifest error.

(d) ~~Repayment of Participations~~. Any L/C Issuer (other than Wells Fargo or any of its Affiliates) shall notify the Administrative Agent in writing no later than the Business Day immediately following the Business Day on which such L/C Issuer issued any Letter of Credit: provided that (i) until the Administrative Agent advises any such L/C Issuer that the provisions of Section 4.02 are not satisfied, or (ii) unless the aggregate amount of the Letters of Credit issued in any such week exceeds such amount as shall be agreed by the Administrative Agent and such L/C Issuer, such L/C Issuer shall be required to so notify the Administrative Agent in writing only once each week of the Letters of Credit issued by such L/C Issuer during the immediately preceding week as well as the daily amounts outstanding for the prior week, such notice to be furnished on such day of the week as the Administrative Agent and such L/C Issuer may agree. Each Letter of Credit shall be in form and substance reasonably acceptable to the L/C Issuer, including the requirement that the amounts payable thereunder must be payable in Dollars. If the L/C Issuer makes a payment under a Letter of Credit, the Borrowers shall pay to Administrative Agent an amount equal to the applicable Letter of Credit Disbursement on the Business Day such Letter of Credit Disbursement is made and, in the absence of such payment, the amount of the Letter of Credit Disbursement immediately and automatically shall be deemed to be a Committed Loan hereunder (notwithstanding any failure to satisfy any condition precedent set forth in Section 4.02 hereof) and, initially, shall bear interest at the rate then applicable to Committed Loans that are Base Rate Loans. If a Letter of Credit Disbursement is deemed to be a Committed Loan hereunder, the Borrowers' obligation to pay the amount of such Letter of Credit Disbursement to the L/C Issuer shall be automatically converted into an

obligation to pay the resulting Committed Loan. Promptly following receipt by the Administrative Agent of any payment from the Borrowers pursuant to this paragraph, the Administrative Agent shall distribute such payment to the L/C Issuer or, to the extent that the Lenders have made payments pursuant to Section 2.03(e) to reimburse the L/C Issuer, then to such Lenders and the L/C Issuer as their interests may appear.

(e) Promptly following receipt of a notice of a Letter of Credit Disbursement pursuant to Section 2.03(d), each Lender agrees to fund its Applicable Percentage of any Committed Loan deemed made pursuant to Section 2.03(d) on the same terms and conditions as if the Borrowers had requested the amount thereof as a Committed Loan and the Administrative Agent shall promptly pay to the L/C Issuer the amounts so received by it from the Lenders. By the issuance of a Letter of Credit (or an amendment, renewal, or extension of a Letter of Credit) and without any further action on the part of the L/C Issuer or the Lenders, the L/C Issuer shall be deemed to have granted to each Lender, and each Lender shall be deemed to have purchased, a participation in each Letter of Credit issued by the L/C Issuer, in an amount equal to its Applicable Percentage of such Letter of Credit, and each such Lender agrees to pay to the Administrative Agent, for the account of the L/C Issuer, such Lender's Applicable Percentage of any Letter of Credit Disbursement made by the L/C Issuer under the applicable Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the L/C Issuer, such Lender's Applicable Percentage of each Letter of Credit Disbursement made by the L/C Issuer and not reimbursed by Borrowers on the date due as provided in Section 2.03(d), or of any reimbursement payment that is required to be refunded (or that the Administrative Agent or the L/C Issuer elects, based upon the advice of counsel, to refund) to the Borrowers for any reason. Each Lender acknowledges and agrees that its obligation to deliver to the Administrative Agent, for the account of the L/C Issuer, an amount equal to its respective Applicable Percentage of each Letter of Credit Disbursement pursuant to this Section 2.03(e) shall be absolute and unconditional and such remittance shall be made notwithstanding the occurrence or continuation of a Default or Event of Default or the failure to satisfy any condition set forth in Section 4.02 hereof. If any such Lender fails to make available to the Administrative Agent the amount of such Lender's Applicable Percentage of a Letter of Credit Disbursement as provided in this Section, such Lender shall be deemed to be a Defaulting Lender and the Administrative Agent (for the account of the L/C Issuer) shall be entitled to recover such amount on demand from such Lender together with interest thereon at the Defaulting Lender Rate until paid in full.

(f) Each Borrower agrees to indemnify, defend and hold harmless each Credit Party (including the L/C Issuer and its branches, Affiliates, and correspondents) and each such Person's respective directors, officers, employees, attorneys and agents (each, including the L/C Issuer, a "Letter of Credit Related Person") (to the fullest extent permitted by Law) from and against any and all claims, demands, suits, actions, investigations, proceedings, liabilities, fines, costs, penalties, and damages, and all reasonable fees and disbursements of attorneys, experts, or consultants and all other costs and expenses actually incurred in connection therewith or in connection with the enforcement of this indemnification (as and when they are incurred and irrespective of whether suit is brought), which may be incurred by or awarded against any such Letter of Credit Related Person (other than Taxes, which shall be governed by Section 3.01) (the "Letter of Credit Indemnified Costs"), and which arise out of or in connection with, or as a result of:

(i) At any time after the L/C Issuer has made a payment under any Letter of Credit and has received from any Lender such Lender's L/C Advance in respect of such payment in accordance with Section 2.03(c), if the Administrative Agent receives for the account of the L/C Issuer any payment in respect of the related Unreimbursed Amount or interest thereon (whether directly from the Borrowers or otherwise, including proceeds of Cash Collateral applied thereto by the Administrative Agent), the Administrative Agent will distribute to such Lender its Applicable Percentage thereof (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's L/C Advance was outstanding) in the same funds as those received by the Administrative Agent any Letter of Credit or any pre-advance of its issuance;

(ii) If any payment received by the Administrative Agent for the account of the L/C Issuer pursuant to Section 2.03(c)(i) is required to be returned under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the L/C Issuer in its discretion), each Lender shall pay to the Administrative Agent for the account of the L/C Issuer its Applicable 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 Federal Funds 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 any transfer, sale, delivery, surrender or endorsement of any Drawing Document at any time(s) held by any such Letter of Credit Related Person in connection with any Letter of Credit;

(iii) any action or proceeding arising out of, or in connection with, any Letter of Credit (whether administrative, judicial or in connection with arbitration), including any action or proceeding to compel or restrain any presentation or payment under any Letter of Credit, or for the wrongful dishonor of, or honoring a presentation under, any Letter of Credit;

(iv) any independent undertakings issued by the beneficiary of any Letter of Credit;

(v) any unauthorized instruction or request made to the L/C Issuer in connection with any Letter of Credit or requested Letter of Credit or error in computer or electronic transmission;

(vi) an adviser, confirmer or other nominated person seeking to be reimbursed, indemnified or compensated;

(vii) any third party seeking to enforce the rights of an applicant, beneficiary, nominated person, transferee, assignee of Letter of Credit proceeds or holder of an instrument or document;

(viii) the fraud, forgery or illegal action of parties other than the Letter of Credit Related Person;

(ix) the L/C Issuer's performance of the obligations of a confirming institution or entity that wrongfully dishonors a confirmation; or

(x) the acts or omissions, whether rightful or wrongful, of any present or future de jure or de facto governmental or regulatory authority or cause or event beyond the control of the Letter of Credit Related Person;

in each case, including that resulting from the Letter of Credit Related Person's own negligence: provided, however, that such indemnity shall not be available to any Letter of Credit Related Person claiming indemnification under clauses (i) through (x) above to the extent that such Letter of Credit Indemnified Costs may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction to have resulted directly from the gross negligence or willful misconduct of the Letter of Credit Related Person claiming indemnity. The Borrowers hereby agree to pay the Letter of Credit Related Person claiming indemnity on demand from time to time all amounts owing under this Section 2.03(f). If and to the extent that the obligations of the Borrowers under this Section 2.03(f) are unenforceable for any reason, the Borrowers agree to make the maximum contribution to the Letter of Credit Indemnified Costs permissible under applicable Law. This indemnification provision shall survive termination of this Agreement and all Letters of Credit.

(g) The liability of the L/C Issuer (or any other Letter of Credit Related Person) under, in connection with or arising out of any Letter of Credit (or pre-advice), regardless of the form or legal grounds of the action or proceeding, shall be limited to direct damages suffered by the Borrowers that are caused directly by the L/C Issuer's gross negligence or willful misconduct in (i) honoring a presentation under a Letter of Credit that on its face does not at least substantially comply with the terms and conditions of such Letter of Credit, (ii) failing to honor a presentation under a Letter of Credit that strictly complies with the terms and conditions of such Letter of Credit or (iii) retaining Drawing Documents presented under a Letter of Credit. The L/C Issuer shall be deemed to have acted with due diligence and reasonable care if the L/C Issuer's conduct is in accordance with Standard Letter of Credit Practice or in accordance with this Agreement. The Borrowers' aggregate remedies against the L/C Issuer and any Letter of Credit Related Person for wrongfully honoring a presentation under any Letter of Credit or wrongfully retaining honored Drawing Documents shall in no event exceed the aggregate amount paid by the Borrowers to the L/C Issuer in respect of the honored presentation in connection with such Letter of Credit under Section 2.03(d), plus interest at the rate then applicable to Base Rate Loans hereunder. The Borrowers shall take action to avoid and mitigate the amount of any damages claimed against the L/C Issuer or any other Letter of Credit Related Person, including by enforcing its rights against the beneficiaries of the Letters of Credit. Any claim by the Borrowers under or in connection with any Letter of Credit shall be reduced by an amount equal to the sum of (x) the amount (if any) saved by the Borrowers as a result of the breach or alleged wrongful conduct complained of; and (y) the amount (if any) of the loss that would have been avoided had the Borrowers taken all reasonable steps to mitigate any loss, and in case of a claim of wrongful dishonor, by specifically and timely authorizing the L/C Issuer to effect a cure.

(h) The Borrowers shall be responsible for preparing or approving the final text of the Letter of Credit as issued by the L/C Issuer, irrespective of any assistance the L/C Issuer may

provide such as drafting or recommending text or by the L/C Issuer's use or refusal to use text submitted by the Borrowers. The Borrowers are solely responsible for the suitability of the Letter of Credit for the Borrowers' purposes. With respect to any Letter of Credit containing an "automatic amendment" to extend the expiration date of such Letter of Credit, the L/C Issuer, in its sole and absolute discretion, may give notice of nonrenewal of such Letter of Credit and, if the Borrowers do not at any time want such Letter of Credit to be renewed, the Borrowers will so notify the Administrative Agent and the L/C Issuer at least 15 calendar days before the L/C Issuer is required to notify the beneficiary of such Letter of Credit or any advising bank of such nonrenewal pursuant to the terms of such Letter of Credit.

(i) (e) Obligations Absolute. The obligation of the Borrowers to reimburse the L/C Issuer for each drawing under each Letter of Credit and to repay each L/C Borrowing shall be The Borrowers' reimbursement and payment obligations under this Section 2.03 are absolute, unconditional and irrevocable; and shall be paid/performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever, including the following:

(i) any lack of validity or, enforceability or legal effect of such any Letter of Credit, this Agreement, or any other Loan Document or this Agreement or any term or provision therein or herein;

(ii) payment against presentation of any draft, demand or claim for payment under any Drawing Document that does not comply in whole or in part with the terms of the applicable Letter of Credit or which proves to be fraudulent, forged or invalid in any respect or any statement therein being untrue or inaccurate in any respect, or which is signed, issued or presented by a Person or a transferee of such Person purporting to be a successor or transferee of the beneficiary of such Letter of Credit;

(iii) the L/C Issuer or any of its branches or Affiliates being the beneficiary of any Letter of Credit;

(iv) the L/C Issuer or any correspondent honoring a drawing against a Drawing Document up to the amount available under any Letter of Credit even if such Drawing Document claims an amount in excess of the amount available under the Letter of Credit;

(v) (ii) the existence of any claim, counterclaim, setoff/set-off, defense or other right that the Borrowers Parent or any Subsidiary of its Subsidiaries may have at any time against any beneficiary or any transferee of such Letter of Credit (or any Person for whom any such beneficiary or any such transferee may be acting), any assignee of proceeds, the L/C Issuer or any other Person, whether in connection with this Agreement, the transactions contemplated hereby or by such Letter of Credit or any agreement or instrument relating thereto, or any unrelated transaction;

(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) any payment by the L/C 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 L/C 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 any Debtor Relief Law;

~~(vi) (v) any other event, circumstance or happening conduct whatsoever, whether or not similar to any of the foregoing, including any other circumstance that might otherwise, but for this Section 2.03(i), constitute a legal or equitable defense available to, or a discharge of, the Borrowers or any of their Subsidiaries discharge of, or provide a right of set-off against, any Borrower's or any of its Subsidiaries' reimbursement and other payment obligations and liabilities, arising under, or in connection with, any Letter of Credit, whether against the L/C Issuer, the beneficiary or any other Person; or~~

~~(vii) (vi) the fact that any Default or Event of Default shall have occurred and be continuing;~~

The Lead Borrower shall promptly examine a copy of each Letter of Credit and each amendment thereto that is delivered to it and, in the event of any claim of noncompliance with the Lead Borrower's instructions or other irregularity, the Lead Borrower will immediately notify the Administrative Agent and the L/C Issuer. The Borrowers shall be conclusively deemed to have waived any such claim against the L/C Issuer and its correspondents unless such notice is given as aforesaid.

(f) Role of L/C Issuer. Each Lender and the Borrower agree that, in paying any drawing under a Letter of Credit, the L/C 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 L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C 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 Lenders or the Required Lenders, as applicable; (ii) any action taken or omitted in the absence of gross negligence or willful misconduct; (iii) any error, omission, interruption, loss or delay

provided, however, that subject to Section 2.03(g) above, the foregoing shall not release the L/C Issuer from such liability to the Borrowers as may be finally determined in a final, non-appealable judgment of a court of competent jurisdiction against the L/C Issuer following reimbursement or payment of the obligations and liabilities, including reimbursement and other payment obligations, of the Borrowers to the L/C Issuer arising under, or in connection with, this Section 2.03 or any Letter of Credit.

(i) Without limiting any other provision of this Agreement, the L/C Issuer and each other Letter of Credit Related Person (if applicable) shall not be responsible to the Borrowers for, and the L/C Issuer's rights and remedies against the Borrowers and the obligation of the

Borrowers to reimburse the L/C Issuer for each drawing under each Letter of Credit shall not be impaired by:

(i) honor of a presentation under any Letter of Credit that on its face substantially complies with the terms and conditions of such Letter of Credit, even if the Letter of Credit requires strict compliance by the beneficiary;

(ii) honor of a presentation of any Drawing Document that appears on its face to have been signed, presented or issued (A) by any purported successor or transferee of any beneficiary or other Person required to sign, present or issue such Drawing Document or (B) under a new name of the beneficiary;

(iii) acceptance as a draft of any written or electronic demand or request for payment under a Letter of Credit, even if nonnegotiable or not in the form of a draft or notwithstanding any requirement that such draft, demand or request bear any or adequate reference to the Letter of Credit;

(iv) the identity or authority of any presenter or signer of any Drawing Document or the form, accuracy, genuineness or legal effect of any Drawing Document (other than the L/C Issuer's determination that such Drawing Document appears on its face substantially to comply with the terms and conditions of the Letter of Credit);

(v) acting upon any instruction or request relative to a Letter of Credit or requested Letter of Credit that the L/C Issuer in good faith believes to have been given by a Person authorized to give such instruction or request;

(vi) any errors, omissions, interruptions or delays in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit or any error message, advice or document (regardless of how sent or transmitted) or for errors in interpretation of technical terms; or (iv) the due execution, effectiveness, validity or enforceability of any document or instrument related to any Letter of Credit or Issuer Document. The Borrowers hereby assume all risks of the acts or omissions of any beneficiary or transferee with respect to its use of any Letter of Credit; provided, however, that this assumption is not intended to, and shall not, preclude the Borrowers' pursuing such rights and remedies as it may have against the beneficiary or transferee at law or under any other agreement. None of the L/C Issuer, the Administrative Agent, any of their respective Related Parties nor any correspondent, participant or assignee of the L/C Issuer shall be liable or responsible for any of the matters described in clauses (i) through (v) of Section 2.02(e); provided, however, that anything in such clauses to the contrary notwithstanding, the Borrowers may have a claim against the L/C Issuer, and the L/C Issuer may be liable to the Borrowers, to the extent, but only to the extent, of any direct, as opposed to consequential or exemplary, damages suffered by the Borrowers which the Borrowers prove were caused by the L/C Issuer's willful misconduct or gross negligence or the L/C 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 furtherance and not in limitation of the foregoing, the L/C 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 (or the L/C Issuer may refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit), and the L/C 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. or in translation or any delay in giving or failing to give notice to the Borrowers;

(vii) any acts, omissions or fraud by, or the insolvency of, any beneficiary, any nominated person or entity or any other Person or any breach of contract between any beneficiary and any Borrower or any of the parties to the underlying transaction to which the Letter of Credit relates;

(viii) assertion or waiver of any provision of the ISP or UCP that primarily benefits an issuer of a letter of credit, including any requirement that any Drawing Document be presented to it at a particular hour or place;

(ix) payment to any paying or negotiating bank (designated or permitted by the terms of the applicable Letter of Credit) claiming that it rightfully honored or is entitled to reimbursement or indemnity under Standard Letter of Credit Practice applicable to it;

(x) acting or failing to act as required or permitted under Standard Letter of Credit Practice applicable to where the L/C Issuer has issued, confirmed, advised or negotiated such Letter of Credit, as the case may be;

(xi) honor of a presentation after the expiration date of any Letter of Credit notwithstanding that a presentation was made prior to such expiration date and dishonored by the L/C Issuer if subsequently the L/C Issuer or any court or other finder of fact determines such presentation should have been honored;

(xii) dishonor of any presentation that does not strictly comply or that is fraudulent, forged or otherwise not entitled to honor; or

(xiii) honor of a presentation that is subsequently determined by the L/C Issuer to have been made in violation of international, federal, state or local restrictions on the transaction of business with certain prohibited Persons.

(k) (g) Cash Collateral. Upon the request of the Administrative Agent, (i) if the L/C Issuer has honored any full or partial drawing request under any Letter of Credit and such drawing has resulted in an L/C ~~Borrowing Obligation~~ that remains outstanding, or (ii) if, as of the Letter of Credit Expiration Date, any L/C Obligation for any reason remains outstanding, the Borrowers shall, in each case, immediately Cash Collateralize the then Outstanding Amount of all L/C Obligations. Sections 2.05 and 8.02(c) set forth certain additional requirements to deliver Cash Collateral hereunder. For purposes of this Section 2.03, Section 2.05 and Section 8.02(c), "Cash Collateralize" means to pledge and deposit with or deliver to the Administrative Agent, for the benefit of the L/C Issuer and the Lenders, as collateral for the L/C Obligations, cash or deposit account balances in an amount equal to 105% of the Outstanding Amount of all L/C Obligations, pursuant to documentation in form and substance satisfactory to the

Administrative Agent and the L/C Issuer (which documents are hereby Consented to by the Lenders). The Borrowers hereby grant to the Collateral Agent a security interest in all such cash, deposit accounts and all balances therein and all proceeds of the foregoing. Cash Collateral shall be maintained in blocked, non-interest bearing deposit accounts at Wells Fargo. If at any time the Administrative Agent determines that any funds held as Cash Collateral are subject to any right or claim of any Person other than the Administrative Agent or that the total amount of such funds is less than the aggregate Outstanding Amount of all L/C Obligations, the Borrowers will, forthwith upon demand by the Administrative Agent, pay to the Administrative Agent, as additional funds to be deposited as Cash Collateral, an amount equal to the excess of (x) such aggregate Outstanding Amount over (y) the total amount of funds, if any, then held as Cash Collateral that the Administrative Agent determines to be free and clear of any such right and claim. Upon the drawing of any Letter of Credit for which funds are on deposit as Cash Collateral, such funds shall be applied, to the extent permitted under applicable Laws, to reimburse the L/C Issuer and, to the extent not so applied, shall thereafter be applied to satisfy other Obligations.

~~(h) Applicability of ISP and UCP. Unless otherwise expressly agreed by the L/C Issuer and the Lead Borrower when a Letter of Credit is issued, (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.~~

~~(l) (i) Letter of Credit Fees. The Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage a Letter of Credit fee (the "Letter of Credit Fee") for each Letter of Credit equal to the Applicable Rate times the daily Stated Amount under each such Letter of Credit (whether or not such maximum amount is then in effect under such Letter of Credit). For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with Section 1.06. Letter of Credit Fees shall be (i) due and payable on the first day after the end of each month commencing with the first such date to occur after the issuance of such Letter of Credit, on and after the Letter of Credit Expiration Date and thereafter, on demand, and (ii) computed on a monthly basis in arrears. If there is any change in the Applicable Rate during any quarter, the daily amount available to be drawn under ~~of~~ each Letter of Credit shall be computed and multiplied by the Applicable Rate separately for each period during such quarter that such Applicable Rate was in effect. Notwithstanding anything to the contrary contained herein, while any Event of Default exists, all Letter of Credit Fees shall accrue at the Default Rate as provided in Section 2.12(b) hereof.~~

~~(j) Fronting Fee and Documentary and Processing Charges Payable to L/C Issuer. The Borrowers shall pay to the Administrative Agent, for the account of the L/C Issuer, a fronting fee (the "Fronting Fee") (i) with respect to each Commercial Letter of Credit, at a rate equal to 0.125% per annum, computed on the amount of such Letter of Credit, and payable upon the issuance or amendment thereof, and (ii) with respect to each Standby Letter of Credit, at a rate equal to 0.125% per annum, computed on the daily amount available to be drawn under such Letter of Credit and on a quarterly basis in arrears. Such Fronting Fees shall be due and payable on the tenth Business Day after the end of each March, June, September and December, commencing with the first such date to occur~~

after the issuance of such Letter of Credit, on the Letter of Credit Expiration Date and thereafter on demand. For purposes of computing the daily amount available to be drawn under any Letter of Credit, the amount of the Letter of Credit shall be determined in accordance with Section 1.06. In addition, the Borrowers shall pay to the Administrative Agent, for the account of the L/C Issuer, the customary issuance; presentation, amendment and other processing fees, and other standard costs and charges, of the L/C Issuer relating to letters of credit as from time to time in effect. Such customary fees and standard costs and charges are due and payable on demand and are nonrefundable.

(m) In addition to the Letter of Credit Fees as set forth in Section 2.03(l) above, the Borrowers shall pay immediately upon demand to the Administrative Agent for the account of the L/C Issuer as non-refundable fees, commissions, and charges (it being acknowledged and agreed that any charging of such fees, commissions, and charges to the Loan Account pursuant to the provisions of Section 2.02(d) shall be deemed to constitute a demand for payment thereof for the purposes of this Section 2.03(m)); (i) a fronting fee which shall be imposed by the L/C Issuer upon the issuance of each Letter of Credit of 0.125% per annum of the face amount thereof, plus (ii) any and all other customary commissions, fees and charges then in effect imposed by, and any and all expenses incurred by, the L/C Issuer, or by any adviser, confirming institution or entity or other nominated person, relating to Letters of Credit, at the time of issuance of any Letter of Credit and upon the occurrence of any other activity with respect to any Letter of Credit (including transfers, assignments of proceeds, amendments, drawings, renewals or cancellations).

(n) Unless otherwise expressly agreed by the L/C Issuer and the Borrowers when a Letter of Credit is issued, (i) the rules of the ISP and the UCP shall apply to each Standby Letter of Credit, and (ii) the rules of the UCP shall apply to each Commercial Letter of Credit.

(o) The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the L/C Issuer shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the L/C 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 Article IX included the L/C Issuer with respect to such acts or omissions, and (B) as additionally provided herein with respect to the L/C Issuer.

(p) ~~(k) 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. ~~In the event of a direct conflict between the provisions of this Section 2.03 and any provision contained in any Issuer Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 2.03 shall control and govern.~~

2.04 Swing Line Loans.

(a) The Swing Line. Subject to the terms and conditions set forth herein, the Swing Line Lender may, in reliance upon the agreements of the other Lenders set forth in this Section 2.04, make loans (each such loan, a "Swing Line Loan") to the Borrowers from time to time on any Business

Day during the Availability Period in an aggregate amount not to exceed at any time outstanding the amount of the Swing Line Sublimit, notwithstanding the fact that such Swing Line Loans, when aggregated with the Applicable Percentage of the Outstanding Amount of Committed Loans and L/C Obligations of the Lender acting as Swing Line Lender, may exceed the amount of such Lender's Commitment; provided, however, that after giving effect to any Swing Line Loan, (i) the Total Outstandings shall not exceed the ~~lesser of (A) the Aggregate Commitments, or (B) the Borrowing Base Loan Cap~~, and (ii) the aggregate Outstanding Amount of the Committed Loans of any Lender at such time, plus such Lender's Applicable Percentage of the Outstanding Amount of all L/C Obligations at such time, plus such Lender's Applicable Percentage of the Outstanding Amount of all Swing Line Loans at such time shall not exceed such Lender's Commitment, and provided, further, that the Borrowers shall not use the proceeds of any Swing Line Loan to refinance any outstanding Swing Line Loan, ~~and provided further that the Swing Line Lender shall not be obligated to make any Swing Line Loan at any time when any Lender is at such time a Defaulting Lender or Deteriorating Lender hereunder, unless the Swing Line Lender has entered into satisfactory arrangements with the Borrower or such Lender to eliminate the Swing Line Lender's risk with respect to such Lender~~. Within the foregoing limits, and subject to the other terms and conditions hereof, the Borrowers may borrow under this Section 2.04, prepay under Section 2.05, and reborrow under this Section 2.04. Each Swing Line Loan shall bear interest only at a rate based on the Base Rate. Immediately upon the making of a Swing Line Loan, each Lender shall be deemed to, and hereby irrevocably and unconditionally agrees to, purchase from the Swing Line Lender a risk participation in such Swing Line Loan in an amount equal to the product of such Lender's Applicable Percentage times the amount of such Swing Line Loan. The Swing Line Lender shall have all of the benefits and immunities (A) provided to the Administrative Agent in Article IX with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with Swing Line Loans made by it or proposed to be made by it as if the term "Administrative Agent" as used in Article IX included the Swing Line Lender with respect to such acts or omissions, and (B) as additionally provided herein with respect to the Swing Line Lender.

(b) Borrowing Procedures. Each Swing Line Borrowing shall be made upon the Lead Borrower's irrevocable notice to the Swing Line Lender and the Administrative Agent, which may be given by telephone. Each such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the requested borrowing date, and shall specify (i) the amount to be borrowed, which shall be a minimum of \$100,000, and (ii) the requested borrowing date, which shall be a Business Day. Each such telephonic notice must be confirmed promptly by delivery to the Swing Line Lender and the Administrative Agent of a written Swing Line Loan Notice, appropriately completed and signed by a Responsible Officer of the Lead Borrower. Promptly after receipt by the Swing Line Lender of any telephonic Swing Line Loan Notice, the Swing Line Lender will confirm with the Administrative Agent (by telephone or in writing) that the Administrative Agent has also received such Swing Line Loan Notice and, if not, the Swing Line Lender will notify the Administrative Agent (by telephone or in writing) of the contents thereof. Unless the Swing Line Lender has received notice (by telephone or in writing) from the Administrative Agent at the request of the Required Lenders prior to 2:00 p.m. on the date of the proposed Swing Line Borrowing (A) directing the Swing Line Lender not to make such Swing Line Loan as a result of the limitations set forth in the proviso to the first sentence of Section 2.04(a), or (B) that one or more of the applicable conditions specified in Article IV is not then satisfied, then, subject to the terms and conditions hereof, the Swing Line Lender may, not later than 3:00 p.m. on the borrowing date specified in such Swing Line Loan Notice, make the amount of its Swing Line Loan available to the Borrowers at its office by crediting the account of the Lead Borrower on the books of the Swing Line Lender in immediately available funds.

(c) Refinancing of Swing Line Loans.

(i) The Swing Line Lender at any time in its sole and absolute discretion may request, on behalf of the Borrowers (which hereby irrevocably authorize the Swing Line Lender to so request on their behalf), that each Lender make a Base Rate Loan in an amount equal to such Lender's Applicable Percentage of the amount of Swing Line Loans then outstanding. Such request shall be made in writing (which written request shall be deemed to be a Committed Loan Notice for purposes hereof) and in accordance with the requirements of Section 2.02, without regard to the minimum and multiples specified therein for the principal amount of Base Rate Loans, but subject to the unutilized portion of the Aggregate Commitments and the conditions set forth in Section 4.02. The Swing Line Lender shall furnish the Lead Borrower with a copy of the applicable Committed Loan Notice promptly after delivering such notice to the Administrative Agent. Each Lender shall make an amount equal to its Applicable Percentage of the amount specified in such Committed Loan Notice available to the Administrative Agent in immediately available funds for the account of the Swing Line Lender at the Administrative Agent's Office not later than 1:00 p.m. on the day specified in such Committed Loan Notice, whereupon, subject to Section 2.04(c)(ii), each Lender that so makes funds available shall be deemed to have made a Base Rate Loan to the Borrowers in such amount. The Administrative Agent shall remit the funds so received to the Swing Line Lender.

(ii) If for any reason any Swing Line Loan cannot be refinanced by such a Committed Borrowing in accordance with Section 2.04(c)(i), the request for Base Rate Loans submitted by the Swing Line Lender as set forth herein shall be deemed to be a request by the Swing Line Lender that each of the Lenders fund its risk participation in the relevant Swing Line Loan and each Lender's payment to the Administrative Agent for the account of the Swing Line Lender pursuant to Section 2.04(c)(i) shall be deemed payment in respect of such participation.

(iii) If any Lender fails to make available to the Administrative Agent for the account of the Swing Line Lender any amount required to be paid by such Lender pursuant to the foregoing provisions of this Section 2.04(c) by the time specified in Section 2.04(c)(i), the Swing Line Lender shall be entitled to recover from such Lender (acting through the Administrative Agent), on demand, such amount with interest thereon for the period from the date such payment is required to the date on which such payment is immediately available to the Swing Line Lender at a rate per annum equal to the greater of the Federal Funds Rate and a rate determined by the Swing Line Lender in accordance with banking industry rules on interbank compensation plus any administrative, processing or similar fees customarily charged by the Swing Line Lender in connection with the foregoing. If such Lender pays such amount (with interest and fees as aforesaid), the amount so paid shall constitute such Lender's Committed Loan included in the relevant Committed Borrowing or funded participation in the relevant Swing Line Loan, as the case may be. A certificate of the Swing Line Lender submitted to any Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(iv) Each Lender's obligation to make Committed Loans or to purchase and fund risk participations in Swing Line Loans pursuant to this Section 2.04(c) shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right which such Lender may have against the Swing Line Lender, the Borrowers or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default, or (C) any other occurrence, event or condition, whether or not similar to any of the foregoing; provided, however, that each Lender's obligation to make Committed Loans pursuant to this Section

2.04(c) is subject to the conditions set forth in Section 4.02. No such funding of risk participations shall relieve or otherwise impair the obligation of the Borrowers to repay Swing Line Loans, together with interest as provided herein.

(d) Repayment of Participations.

(i) At any time after any Lender has purchased and funded a risk participation in a Swing Line Loan, if the Swing Line Lender receives any payment on account of such Swing Line Loan, the Swing Line Lender will distribute to such Lender its Applicable Percentage of such payment (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Lender's risk participation was funded) in the same funds as those received by the Swing Line Lender.

(ii) If any payment received by the Swing Line Lender in respect of principal or interest on any Swing Line Loan is required to be returned by the Swing Line Lender under any of the circumstances described in Section 10.05 (including pursuant to any settlement entered into by the Swing Line Lender in its discretion), each Lender shall pay to the Swing Line Lender its Applicable Percentage thereof on demand of the Administrative Agent, plus interest thereon from the date of such demand to the date such amount is returned, at a rate per annum equal to the Federal Funds Rate. The Administrative Agent will make such demand upon the request of the Swing Line Lender. The obligations of the Lenders under this clause shall survive the payment in full of the Obligations and the termination of this Agreement.

(e) Interest for Account of Swing Line Lender. The Swing Line Lender shall be responsible for invoicing the Borrowers for interest on the Swing Line Loans. Until each Lender funds its Base Rate Loan or risk participation pursuant to this Section 2.04 to refinance such Lender's Applicable Percentage of any Swing Line Loan, interest in respect of such Applicable Percentage shall be solely for the account of the Swing Line Lender.

(f) Payments Directly to Swing Line Lender. The Borrowers shall make all payments of principal and interest in respect of the Swing Line Loans directly to the Swing Line Lender.

2.05 Prepayments.

(a) The Borrowers may, upon irrevocable notice from the Lead Borrower to the Administrative Agent, at any time or from time to time voluntarily prepay Committed Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Administrative Agent not later than 11:00 a.m. (A) three Business Days prior to any date of prepayment of LIBO Rate Loans and (B) on the date of prepayment of Base Rate Loans; (ii) any prepayment of LIBO Rate Loans shall be in a principal amount of \$5,000,000 or a whole multiple of \$1,000,000 in excess thereof; and (iii) any prepayment of Base Rate Loans shall be in a principal amount of \$500,000 or a whole multiple of \$100,000 in excess thereof or, in each case, if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment and the Type(s) of Loans to be prepaid and, if LIBO Rate Loans, the Interest Period(s) of such Loans. The Administrative Agent will promptly notify each Lender of its receipt of each such notice, and of the amount of such Lender's Applicable Percentage of such prepayment. If such notice is given by the Lead Borrower, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein. Any prepayment of a LIBO Rate Loan shall be accompanied by all accrued interest on the amount prepaid, together with any additional amounts

required pursuant to Section 3.05. Each such prepayment shall be applied to the Committed Loans of the Lenders in accordance with their respective Applicable Percentages.

(b) The Borrowers may, upon irrevocable notice from the Lead Borrower to the Swing Line Lender (with a copy to the Administrative Agent), at any time or from time to time, voluntarily prepay Swing Line Loans in whole or in part without premium or penalty; provided that (i) such notice must be received by the Swing Line Lender and the Administrative Agent not later than 1:00 p.m. on the date of the prepayment, and (ii) any such prepayment shall be in a minimum principal amount of \$100,000, or if less, the entire principal amount thereof then outstanding. Each such notice shall specify the date and amount of such prepayment. If such notice is given by the Lead Borrower, the Borrowers shall make such prepayment and the payment amount specified in such notice shall be due and payable on the date specified therein.

(c) If for any reason the Total Outstandings at any time exceed the ~~lesser of the Aggregate Commitments or the Borrowing Base, each Loan Cap~~ as then in effect, the Borrowers shall immediately prepay Loans, Swing Line Loans and ~~L/C Borrowings and~~ or Cash Collateralize the L/C Obligations ~~(other than L/C Borrowings)~~ in an aggregate amount equal to such excess; provided, however, that the Borrowers shall not be required to Cash Collateralize the L/C Obligations pursuant to this Section 2.05(c) unless after the prepayment in full of the Loans the Total Outstandings exceed the ~~lesser of the Aggregate Commitments or the Borrowing Base, each Loan Cap~~ as then in effect.

(d) The Borrower shall prepay the Loans and Cash Collateralize the L/C Obligations in accordance with the provisions of Section 6.13 hereof.

(e) The Borrowers shall prepay the Loans and Cash Collateralize the L/C Obligations in an amount equal to the Net Cash Proceeds received by a Loan Party on account of a Prepayment Event, regardless of whether a Cash Dominion Event then exists and is continuing.

(f) Prepayments made pursuant to Section 2.05(c), (d) and (e) above, first, shall be applied ratably to the ~~L/C Borrowings and the Swing Line Loans~~, second, shall be applied ratably to the outstanding Committed Loans, third, shall be used to Cash Collateralize the remaining L/C Obligations; and, fourth, the amount remaining, if any, after the prepayment in full of all ~~L/C Borrowings~~, Swing Line Loans and Committed Loans outstanding at such time and the Cash Collateralization of the remaining L/C Obligations in full may be retained by the Borrowers for use in the ordinary course of its business. Upon the drawing of any Letter of Credit that has been Cash Collateralized, the funds held as Cash Collateral shall be applied (without any further action by or notice to or from the Borrowers or any other Loan Party) to reimburse the L/C Issuer or the Lenders, as applicable.

2.06 Termination or Reduction of Commitments

(a) The Borrowers may, upon irrevocable notice from the Lead Borrower to the Administrative Agent, terminate the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit or from time to time permanently reduce the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit; provided that (i) any such notice shall be received by the Administrative Agent not later than 11:00 a.m. five Business Days prior to the date of termination or reduction, (ii) any such partial reduction shall be in an aggregate amount of \$10,000,000 or any whole multiple of \$1,000,000 in excess thereof, (iii) the Borrowers shall not terminate or reduce (A) the Aggregate Commitments if, after giving effect thereto and to any concurrent prepayments hereunder, the Total Outstandings would exceed the Aggregate Commitments, (B) the Letter of Credit Sublimit if,

after giving effect thereto, the Outstanding Amount of L/C Obligations not fully Cash Collateralized hereunder would exceed the Letter of Credit Sublimit, and (C) the Swing Line Sublimit if, after giving effect thereto, and to any concurrent payments hereunder, the Outstanding Amount of Swing Line Loans hereunder would exceed the Swing Line Sublimit.

(b) If, after giving effect to any reduction of the Aggregate Commitments, the Letter of Credit Sublimit or the Swing Line Sublimit exceeds the amount of the Aggregate Commitments, such Letter of Credit Sublimit or Swing Line Sublimit shall be automatically reduced by the amount of such excess.

(c) The Administrative Agent will promptly notify the Lenders of any termination or reduction of the Letter of Credit Sublimit, Swing Line Sublimit or the Aggregate Commitments under this Section 2.06. Upon any reduction of the Aggregate Commitments, the Commitment of each Lender shall be reduced by such Lender's Applicable Percentage of such reduction amount. All fees (including, without limitation, commitment fees, Early Termination Fees, and Letter of Credit Fees) and interest in respect of the Aggregate Commitments accrued until the effective date of any termination of the Aggregate Commitments shall be paid on the effective date of such termination.

2.07 Repayment of Loans.

(a) ~~The~~In addition to the payments required pursuant to Section 2.05(c), (d) and (e), the Borrower shall repay to the Lenders on the Termination Date the aggregate principal amount of Committed Loans outstanding on such date.

(b) To the extent not previously paid, the Borrower shall repay the outstanding balance of the Swing Line Loans on the Termination Date.

2.08 Interest.

(a) Subject to the provisions of Section 2.08(b) below, (i) each LIBO Rate Loan shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to the LIBO Rate for such Interest Period plus the Applicable Margin; (ii) each Base Rate Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin; and (iii) each Swing Line Loan shall bear interest on the outstanding principal amount thereof from the applicable borrowing date at a rate per annum equal to the Base Rate plus the Applicable Margin.

(b) (i) If any amount payable under any Loan Document is not paid when due (without regard to any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any other Event of Default exists, then the Administrative Agent may, and upon the request of the Required Lenders shall, notify the Lead Borrower that all outstanding Obligations shall thereafter bear interest at a fluctuating interest rate per annum at all times equal to the Default Rate and thereafter such Obligations shall bear interest at the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on each Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.09 Fees. In addition to certain fees described in subsections (i) and (j) of Section 2.03:

(a) **Commitment Fee.** The Borrowers shall pay to the Administrative Agent for the account of each Lender in accordance with its Applicable Percentage, a commitment fee equal to 0.375% ~~times~~ the actual daily amount by which the Aggregate Commitments exceed the sum of (i) the Outstanding Amount of Loans and (ii) the Outstanding Amount of L/C Obligations. The commitment fee shall accrue at all times during the Availability Period, including at any time during which one or more of the conditions in Article IV is not met, and shall be due and payable monthly in arrears on the first day after the end of each month, commencing with the first such date to occur after the Closing Date, and on the last day of the Availability Period. The commitment fee shall be calculated quarterly in arrears.

(b) **Early Termination Fee.** In the event that the Termination Date occurs, for any reason, prior to the Maturity Date, or in the event that the Borrowers reduce (but do not terminate) the Aggregate Commitments prior to ~~the Maturity Date, November 13, 2014,~~ the Borrowers shall pay to the Administrative Agent, for the ratable benefit of the Lenders, a fee (the "**Early Termination Fee**") in respect of amounts which are or become payable by reason thereof equal to ~~(i) if the Termination Date or reduction occurs on or prior to April 27, 2012, one percent (1.0%) of the Commitments then in effect (without regard to any termination thereof) or of the amount of any reduction in the Aggregate Commitments, and (ii) if the Termination Date or reduction occurs during the period commencing on April 28, 2012 and ending on October 27, 2012, one-half percent (0.5%) of the Commitments then in effect (without regard to any termination thereof) or of the amount of any reduction in the Aggregate Commitment; provided that no Early Termination Fee shall be payable in the event that the Termination Date occurs and the Obligations are indefeasibly paid in full in cash contemporaneously with the occurrence of an event constituting a Change of Control of the type described in clause (a) of the definition of such term. All parties to this Agreement agree and acknowledge that the Lenders will have suffered damages on account of the early termination of this Agreement or any portion of the Commitments and that, in view of the difficulty in ascertaining the amount of such damages, the Early Termination Fee constitutes reasonable compensation and liquidated damages to compensate the Lenders on account thereof.~~

(c) **Other Fees.** The Borrower shall pay to the Administrative Agent for its own account fees in the amounts and at the times specified in the Fee Letter. Such fees shall be fully earned when paid and shall not be refundable for any reason whatsoever.

2.10 Computation of Interest and Fees All computations of interest and fees shall be made on the basis of a 360-day year and actual days elapsed. Interest shall accrue on each Loan for the day on which the Loan is made, and shall not accrue on a Loan, or any portion thereof, for the day on which the Loan or such portion is paid, provided that any Loan that is repaid on the same day on which it is made shall, subject to Section 2.12, bear interest for one day. Each determination by the Administrative Agent of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.11 Evidence of Debt.

(a) The Credit Extensions made by each Lender shall be evidenced by one or more accounts or records maintained by the Administrative Agent (the "Loan Account") in the ordinary course of business. In addition, each Lender may record in such Lender's internal records, an appropriate notation evidencing the date and amount of each Loan from such Lender, each payment and prepayment of principal of any such Loan, and each payment of interest, fees and other amounts due in connection with the Obligations due to such Lender. The accounts or records maintained by the Administrative Agent and each Lender shall be conclusive absent manifest error of the amount of the Credit Extensions made by the Lenders to the Borrowers and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrowers hereunder to pay any amount owing with respect to the Obligations. In the event of any conflict between the accounts and records maintained by any Lender and the accounts and records of the Administrative Agent in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error. Upon the request of any Lender made through the Administrative Agent, the Borrowers shall execute and deliver to such Lender (through the Administrative Agent) a Note, which shall evidence such Lender's Loans in addition to such accounts or records. Each Lender may attach schedules to its Note and endorse thereon the date, Type (if applicable), amount and maturity of its Loans and payments with respect thereto. Upon receipt of an affidavit of a Lender as to the loss, theft, destruction or mutilation of such Lender's Note and upon cancellation of such Note, the Borrowers will issue, in lieu thereof, a replacement Note in favor of such Lender, in the same principal amount thereof and otherwise of like tenor.

(b) In addition to the accounts and records referred to in Section 2.11(a), each Lender and the Administrative Agent shall maintain in accordance with its usual practice accounts or records evidencing the purchases and sales by such Lender of participations in Letters of Credit and Swing Line Loans. In the event of any conflict between the accounts and records maintained by the Administrative Agent and the accounts and records of any Lender in respect of such matters, the accounts and records of the Administrative Agent shall control in the absence of manifest error.

2.12 Payments Generally; Administrative Agent's Clawback.

(a) General. All payments to be made by the Borrowers shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrowers hereunder shall be made to the Administrative Agent, for the account of the respective Lenders to which such payment is owed, at the Administrative Agent's Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. The Administrative Agent will promptly distribute to each Lender its Applicable Percentage (or other applicable share as provided herein) of such payment in like funds as

received by wire transfer to such Lender's Lending Office. All payments received by the Administrative Agent after 2:00 p.m., at the option of the Administrative Agent, shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrowers shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) (i) Funding by Lenders; Presumption by Administrative Agent. Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing of LIBO Rate Loans (or in the case of any Borrowing of Base Rate Loans, prior to 12:00 noon on the date of such Borrowing) that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.02 (or in the case of a Borrowing of Base Rate Loans, that such Lender has made such share available in accordance with and at the time required by Section 2.02) and may, in reliance upon such assumption, make available to the Borrowers a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Committed Borrowing available to the Administrative Agent, then the applicable Lender and the Borrowers severally agree to pay to the Administrative Agent forthwith on demand such corresponding amount in immediately available funds with interest thereon, for each day from and including the date such amount is made available to the Borrowers to but excluding the date of payment to the Administrative Agent, at (A) in the case of a payment to be made by such Lender, the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation plus any administrative processing or similar fees customarily charged by the Administrative Agent in connection with the foregoing, and (B) in the case of a payment to be made by the Borrowers, the interest rate applicable to Base Rate Loans. If the Borrowers and such Lender shall pay such interest to the Administrative Agent for the same or an overlapping period, the Administrative Agent shall promptly remit to the Borrowers the amount of such interest paid by the Borrowers for such period. If such Lender pays its share of the applicable Committed Borrowing to the Administrative Agent, then the amount so paid shall constitute such Lender's Committed Loan included in such Committed Borrowing. Any payment by the Borrowers shall be without prejudice to any claim the Borrowers may have against a Lender that shall have failed to make such payment to the Administrative Agent.

(ii) Payments by Borrowers; Presumptions by Administrative Agent. Unless the Administrative Agent shall have received notice from the Lead Borrower prior to the time at which any payment is due to the Administrative Agent for the account of the Lenders or the L/C Issuer hereunder that the Borrowers will not make such payment, the Administrative Agent may assume that the Borrowers have made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or the L/C Issuer, as the case may be, the amount due. In such event, if the Borrowers have not in fact made such payment, then each of the Lenders or the L/C Issuer, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or the L/C Issuer, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

A notice of the Administrative Agent to any Lender or the Lead Borrower with respect to any amount owing under this subsection (b) shall be conclusive, absent manifest error.

(c) Failure to Satisfy Conditions Precedent. If any Lender makes available to the Administrative Agent funds for any Loan to be made by such Lender as provided in the foregoing provisions of this Article II, and such funds are not made available to the Borrowers by the Administrative Agent because the conditions to the applicable Credit Extension set forth in Article IV are not satisfied or waived in accordance with the terms hereof (subject to the provisions of the last paragraph of Section 4.02 hereof), the Administrative Agent shall return such funds (in like funds as received from such Lender) to such Lender, without interest.

(d) Obligations of Lenders Several. The obligations of the Lenders hereunder to make Committed Loans, to fund participations in Letters of Credit and Swing Line Loans and to make payments pursuant to ~~Section 10.04(c) hereunder~~ are several and not joint. The failure of any Lender to make any Committed Loan, to fund any such participation or to make any payment under ~~Section 10.04(c) hereunder~~ on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Committed Loan, to purchase its participation or to make its payment under ~~Section 10.04(c) hereunder~~.

(e) Funding Source. Nothing herein shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.13 Sharing of Payments by Lenders. If any Credit Party shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of, interest on, or other amounts with respect to, any of the Obligations resulting in such Lender's receiving payment of a proportion of the aggregate amount of such Obligations greater than its pro rata share thereof as provided herein (including as in contravention of the priorities of payment set forth in Section 8.03), then the Credit Party receiving such greater proportion shall (a) notify the Administrative Agent of such fact, and (b) purchase (for cash at face value) participations in the Obligations of the other Credit Parties, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Credit Parties ratably and in the priorities set forth in Section 8.03, provided that:

(i) if any such participations or subparticipations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations or subparticipations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii) the provisions of this Section shall not be construed to apply to (x) any payment made by the Loan Parties pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Committed Loans or subparticipations in L/C Obligations or Swing Line Loans to any assignee or participant, other than to the Borrowers or any Subsidiary thereof (as to which the provisions of this Section shall apply).

Each Loan Party consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Loan Party rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Loan Party in the amount of such participation.

2.14 Settlement Amongst Lenders

(a) The amount of each Lender's Applicable Percentage of outstanding Loans (including outstanding Swing Line Loans), shall be computed weekly (or more frequently in the Administrative Agent's discretion) and shall be adjusted upward or downward based on all Loans (including Swing Line Loans) and repayments of Loans (including Swing Line Loans) received by the Administrative Agent as of 3:00 p.m. on the first Business Day (such date, the "Settlement Date") following the end of the period specified by the Administrative Agent.

(b) The Administrative Agent shall deliver to each of the Lenders promptly after a Settlement Date a summary statement of the amount of outstanding Committed Loans and Swing Line Loans for the period and the amount of repayments received for the period. As reflected on the summary statement, (i) the Administrative Agent shall transfer to each Lender its Applicable Percentage of repayments, and (ii) each Lender shall transfer to the Administrative Agent (as provided below) or the Administrative Agent shall transfer to each Lender, such amounts as are necessary to insure that, after giving effect to all such transfers, the amount of Committed Loans made by each Lender shall be equal to such Lender's Applicable Percentage of all Committed Loans outstanding as of such Settlement Date. If the summary statement requires transfers to be made to the Administrative Agent by the Lenders and is received prior to 1:00 p.m. on a Business Day, such transfers shall be made in immediately available funds no later than 3:00 p.m. that day; and, if received after 1:00 p.m., then no later than 3:00 p.m. on the next Business Day. The obligation of each Lender to transfer such funds is irrevocable, unconditional and without recourse to or warranty by the Administrative Agent. If and to the extent any Lender shall not have so made its transfer to the Administrative Agent, such Lender agrees to pay to the Administrative Agent, 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, equal to the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation plus any administrative, processing, or similar fees customarily charged by the Administrative Agent in connection with the foregoing.

2.15 Increase in Commitments.

(a) Request for Increase. Provided no Default then exists or would arise therefrom, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Lead Borrower may from time to time, request increases in the Aggregate Commitments by a total amount not exceeding ~~\$25,000,000~~ 15,000,000. At the time of sending such notice, the Lead Borrower (in consultation with the Administrative Agent) shall specify the time period within which each Lender is requested to respond (which shall in no event be less than ten (10) Business Days from the date of delivery of such notice to the Lenders).

(b) Lender Elections to Increase. Each Lender shall notify the Administrative Agent within such time period whether or not it agrees to increase its Commitment and, if so, whether by an amount equal to, greater than, or less than its Applicable Percentage of such requested increase. Any

Lender not responding within such time period shall be deemed to have declined to increase its Commitment.

(c) Notification by Administrative Agent: Additional Lenders. The Administrative Agent shall notify the Lead Borrower and each Lender of the Lenders' responses to each request made hereunder. To achieve the full amount of a requested increase and subject to the approval of the Administrative Agent, the L/C Issuer and the Swing Line Lender (which approvals shall not be unreasonably withheld), to the extent that the existing Lenders decline to increase their Commitments, or decline to increase their Commitments to the amount requested by the Lead Borrower, the Administrative Agent, in consultation with the Lead Borrower, will use its reasonable efforts to arrange for other Eligible Assignees to become a Lender hereunder and to issue commitments in an amount equal to the amount of the increase in the Aggregate Commitments requested by the Lead Borrower and not accepted by the existing Lenders (and the Lead Borrower may also invite additional Eligible Assignees to become Lenders), *provided, however*, that without the consent of the Administrative Agent, at no time shall the Commitment of any additional Lender (the "Additional Commitment Lender") be less than \$5,000,000.

(d) Effective Date and Allocations. If the Aggregate Commitments are increased in accordance with this Section, the Administrative Agent and the Lead Borrower shall determine the effective date (the "Increase Effective Date") and the final allocation of such increase. The Administrative Agent shall promptly notify the Lead Borrower and the Lenders of the final allocation of such increase and the Increase Effective Date and on the Effective Date (i) the Aggregate Commitments under, and for all purposes of, this Agreement shall be increased by the aggregate amount of such Commitment Increases, and (ii) Schedule 2.01 shall be deemed modified, without further action, to reflect the revised Commitments and Applicable Percentages of the Lenders.

(e) Conditions to Effectiveness of Increase. As a condition precedent to such increase, (i) the Lead Borrower shall deliver to the Administrative Agent a certificate of each Loan Party dated as of the Increase Effective Date (in sufficient copies for each Lender) signed by a Responsible Officer of such Loan Party (A) certifying and attaching the resolutions adopted by such Loan Party approving or consenting to such increase, and (B) in the case of the Borrowers, certifying that, before and after giving effect to such increase, (1) the representations and warranties contained in Article V and the other Loan Documents are true and correct on and as of the Extension Effective Date, except to the extent that (x) such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that for purposes of this Section 2.15, the representations and warranties contained in subsections (a) and (b) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01, and (y) changes expressly contemplated by this Agreement and the other Loan Documents, (ii) the Borrowers, the Administrative Agent, and any Additional Commitment Lender shall have executed and delivered a joinder to the Loan Documents in such form as the Administrative Agent shall reasonably require; (iii) the Borrowers shall have paid such fees and other compensation to the Additional Commitment Lenders as the Lead Borrower and such Additional Commitment Lenders shall agree; (iv) the Borrowers shall have paid such arrangement fees to the Administrative Agent as the Lead Borrower and the Administrative Agent may agree; (v) the Borrowers shall deliver to the Administrative Agent and the Lenders an opinion or opinions, in form and substance reasonably satisfactory to the Administrative Agent, from counsel to the Borrowers reasonably satisfactory to the Administrative Agent and dated such date; (vi) the Borrowers and the Additional Commitment Lender shall have delivered such other

instruments, documents and agreements as the Administrative Agent may reasonably have requested; and (vii) no Default exists.

(f) Conflicting Provisions. This Section shall supersede any provisions in Sections 2.13 or 10.01 to the contrary.

**ARTICLE III
TAXES, YIELD PROTECTION AND ILLEGALITY;
APPOINTMENT OF LEAD BORROWER**

3.01 Taxes.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes, provided that if the Borrowers shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section) the Administrative Agent, Lender or L/C Issuer, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrowers shall make such deductions and (iii) the Borrowers shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) Payment of Other Taxes by the Borrowers. Without limiting the provisions of subsection (a) above, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(c) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Administrative Agent, each Lender and the L/C Issuer, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Administrative Agent, such Lender or the L/C Issuer, as the case may be, and any penalties, interest and 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 such payment or liability delivered to the Lead Borrower by a Lender or the L/C Issuer (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender or the L/C Issuer, shall be conclusive absent manifest error.

(d) Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority, the Lead Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which any Borrower is resident for tax purposes, or any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall deliver to the Lead Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law or reasonably requested by the Lead Borrower

or the Administrative Agent, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate of withholding. Such delivery shall be provided on the Closing Date and on or before such documentation expires or becomes obsolete or after the occurrence of an event requiring a change in the documentation most recently delivered. In addition, any Lender, if requested by the Lead Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Lead Borrower or the Administrative Agent as will enable the Lead Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements.

Without limiting the generality of the foregoing, in the event that any Borrower is resident for tax purposes in the United States, any Foreign Lender shall deliver to the Lead Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the request of the Lead Borrower or the Administrative Agent, but only if such Foreign Lender is legally entitled to do so), whichever of the following is applicable:

(i) duly completed copies of Internal Revenue Service Form W-8BEN claiming eligibility for benefits of an income tax treaty to which the United States is a party,

(ii) duly completed copies of Internal Revenue Service Form W-8ECI,

(iii) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under section 881(c) of the Code, (x) a certificate to the effect that such Foreign 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 Borrowers 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 (y) duly completed copies of Internal Revenue Service Form W-8BEN,

(iv) to the extent a Recipient is not a U.S. person within the meaning of Section 7701(a)(30) and is not the beneficial owner of payments made under this Agreement or any Loan Document (for example, where such Recipient is a non-U.S. partnership), (A) an IRS Form W-8IMY on behalf of itself and (B) the relevant forms prescribed in clauses (i), (ii), (iii), (v) and (vi) of this Section 3.01(e) that would be required of each such beneficial owner if such beneficial owner were a Recipient, or

(v) any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in United States Federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable law to permit the Lead Borrower to determine the withholding or deduction required to be made.

(f) Transfer of Obligations. Notwithstanding anything to the contrary contained herein or in any Loan Document, if a Lender sells, assigns, grants a participation in or otherwise transfers all or part of the Obligations of the Loan Parties to such Lender, such Lender agrees to notify the Administrative Agent of the percentage amount in which it is no longer the beneficial owner of Obligations of the Loan Parties to such Lender. To the extent of such percentage amount, the Administrative Agent and the Borrower will treat such Lender's documentation provided pursuant to subsection (e) of this Section 3.01 as no longer valid. Neither the Borrower nor any other Loan Party

shall make any greater payments pursuant to this Section 3.01 as a consequence of (i) such sale, assignment, participation or transfer or (ii) any change by a Lender of its designated lending branch.

(g) Treatment of Certain Refunds. If the Administrative Agent, any Lender or the L/C Issuer determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section, it shall pay to the Borrowers an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section with respect to the Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent, such Lender or the L/C Issuer, 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 Borrowers, upon the request of the Administrative Agent, such Lender or the L/C Issuer, agree to repay the amount paid over to the Borrowers (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent, such Lender or the L/C Issuer in the event the Administrative Agent, such Lender or the L/C Issuer is required to repay such refund to such Governmental Authority. This subsection shall not be construed to require the Administrative Agent, any Lender or the L/C Issuer to make available its tax returns (or any other information relating to its taxes that it deems confidential) to the Borrowers or any other Person.

3.02 Illegality. If any Lender determines that any Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable Lending Office to make, maintain or fund LIBO Rate Loans, or to determine or charge interest rates based upon the LIBO Rate, or any Governmental Authority has imposed material restrictions on the authority of such Lender to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, on notice thereof by such Lender to the Lead Borrower through the Administrative Agent, any obligation of such Lender to make or continue LIBO Rate Loans or to convert Base Rate Loans to LIBO Rate Loans shall be suspended until such Lender notifies the Administrative Agent and the Lead Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrowers shall, upon demand from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all LIBO Rate Loans of such Lender to Base Rate Loans, either on the last day of the Interest Period therefor, if such Lender may lawfully continued maintain such LIBO Rate Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such LIBO Rate Loans. Upon any such prepayment or conversion, the Borrowers shall also pay accrued interest on the amount so prepaid or converted.

3.03 Inability to Determine Rates. If the Required Lenders determine that for any reason in connection with any request for a LIBO Rate Loan or a conversion to or continuation thereof that (a) Dollar deposits are not being offered to banks in the London interbank market for the applicable amount and Interest Period of such LIBO Rate Loan, (b) adequate and reasonable means do not exist for determining the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan, or (c) the LIBO Rate for any requested Interest Period with respect to a proposed LIBO Rate Loan does not adequately and fairly reflect the cost to such Lenders of funding such Loan, the Administrative Agent will promptly so notify the Lead Borrower and each Lender. Thereafter, the obligation of the Lenders to make or maintain LIBO Rate Loans shall be suspended until the Administrative Agent (upon the

instruction of the Required Lenders) revokes such notice. Upon receipt of such notice, the Lead Borrower may revoke any pending request for a Borrowing of, conversion to or continuation of LIBO Rate Loans or, failing that, will be deemed to have converted such request into a request for a Committed Borrowing of Base Rate Loans in the amount specified therein.

3.04 Increased Costs; Reserves on LIBO Rate Loans.

(a) Increased Costs Generally. If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the LIBO Rate) or the L/C Issuer;

(ii) subject any Lender or the L/C Issuer to any tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any LIBO Rate Loan made by it, or change the basis of taxation of payments to such Lender or the L/C Issuer in respect thereof (except for Taxes imposed by way of withholding or deduction, Indemnified Taxes or Other Taxes and amounts relating to the foregoing which shall be governed solely and exclusively by Section 3.01, and the imposition of, or any change in the rate of, any Excluded Tax payable by such Lender or the L/C Issuer); or

(iii) impose on any Lender or the L/C Issuer or the London interbank market any other condition, cost or expense affecting this Agreement or LIBO Rate Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any LIBO Rate Loan (or of maintaining its obligation to make any such Loan), or to increase the cost to such Lender or the L/C Issuer of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the L/C Issuer hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or the L/C Issuer, the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or the L/C Issuer, as the case may be, for such additional costs incurred or reduction suffered.

(b) Capital Requirements. If any Lender or the L/C Issuer determines that any Change in Law affecting such Lender or the L/C Issuer or any Lending Office of such Lender or such Lender's or the L/C Issuer's holding company, if any, regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's or the L/C Issuer's capital or on the capital of such Lender's or the L/C Issuer's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by the L/C Issuer, to a level below that which such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or the L/C Issuer's policies and the policies of such Lender's or the L/C Issuer's holding company with respect to capital adequacy), then from time to time the Borrowers will pay to such Lender or the L/C Issuer, as the case may be, such additional amount or

amounts as will compensate such Lender or the L/C Issuer or such Lender's or the L/C Issuer's holding company for any such reduction suffered.

(c) Certificates for Reimbursement. A certificate of a Lender or the L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or the L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Lead Borrower shall be conclusive absent manifest error. The Borrowers shall pay such Lender or the L/C Issuer, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

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

(e) Reserves on LIBO Rate Loans. The Borrowers shall pay to each Lender, as long as such Lender shall be required to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency funds or deposits (currently known as "Eurocurrency liabilities"), additional interest on the unpaid principal amount of each LIBO Rate Loan equal to the actual costs of such reserves allocated to such Loan by such Lender (as determined by such Lender in good faith, which determination shall be conclusive), which shall be due and payable on each date on which interest is payable on such Loan, provided the Lead Borrower shall have received at least 10 days' prior notice (with a copy to the Administrative Agent) of such additional interest from such Lender. If a Lender fails to give notice 10 days prior to the relevant Interest Payment Date, such additional interest shall be due and payable 10 days from receipt of such notice.

3.05 Compensation for Losses. Upon demand of any Lender (with a copy to the Administrative Agent) from time to time, the Borrowers shall promptly compensate such Lender for and hold such Lender harmless from any loss, cost or expense incurred by it as a result of:

(a) any continuation, conversion, payment or prepayment of any ~~LIBO Loan other than a Base~~ Rate Loan on a day other than the last day of the Interest Period for such ~~LIBO Rate~~ Loan (whether voluntary, mandatory, automatic, by reason of acceleration, or otherwise);

(b) any failure by the Borrowers (for a reason other than the failure of such Lender to make a Loan) to prepay, borrow, continue or convert any ~~LIBO Loan other than a Base~~ Rate Loan on the date or in the amount notified by the Lead Borrower; or

(c) any assignment of a LIBO Rate Loan on a day other than the last day of the Interest Period therefor as a result of a request by the Lead Borrower pursuant to Section 10.13;

including any reasonably calculable loss of anticipated profits and any actual loss or expense arising from the liquidation or reemployment of funds obtained by it to maintain such Loan or from fees payable to terminate the deposits from which such funds were obtained. The Borrowers shall also pay any customary administrative fees charged by such Lender in connection with the foregoing, provided such administrative charges are associated with the foregoing but not duplicative of the compensation for such loss, cost or expense otherwise described in this Section 3.05.

For purposes of calculating amounts payable by the Borrowers to the Lenders under this Section 3.05, each Lender shall be deemed to have funded each LIBO Rate Loan made by it at the LIBO Rate for such Loan by a matching deposit or other borrowing in the London interbank market for a comparable amount and for a comparable period, whether or not such LIBO Rate Loan was in fact so funded.

3.06 Mitigation Obligations; Replacement of Lenders.

(a) Designation of a Different Lending Office. If any Lender requests compensation under Section 3.04, or the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender gives a notice pursuant to Section 3.02, then such Lender shall use reasonable efforts to designate a different Lending Office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 3.01 or 3.04, as the case may be, in the future, or eliminate the need for the notice pursuant to Section 3.02, as applicable, and (ii) in each case, would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrowers hereby agree to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, the Borrowers may replace such Lender in accordance with Section 10.13.

3.07 Survival. All of the Borrowers' obligations under this Article III shall survive termination of the Aggregate Commitments and repayment of all other Obligations hereunder.

3.08 Designation of Lead Borrower as Borrowers' Agent.

(a) Each Borrower hereby irrevocably designates and appoints the Lead Borrower as such Borrower's agent to obtain Credit Extensions, the proceeds of which shall be available to each Borrower for such uses as are permitted under this Agreement. As the disclosed principal for its agent, each Borrower shall be obligated to each Credit Party on account of Credit Extensions so made as if made directly by the applicable Credit Party to such Borrower, notwithstanding the manner by which such Credit Extensions are recorded on the books and records of the Lead Borrower and of any other Borrower. In addition, each Loan Party other than the Borrowers hereby irrevocably designates and appoints the Lead Borrower as such Loan Party's agent to represent such Loan Party in all respects under this Agreement and the other Loan Documents.

(b) Each Borrower recognizes that credit available to it hereunder is in excess of and on better terms than it otherwise could obtain on and for its own account and that one of the reasons therefor is its joining in the credit facility contemplated herein with all other Borrowers. Consequently, each Borrower hereby assumes and agrees to discharge all Obligations of each of the other Borrowers.

(c) The Lead Borrower shall act as a conduit for each Borrower (including itself, as a "Borrower") on whose behalf the Lead Borrower has requested a Credit Extension. Neither the Administrative Agent nor any other Credit Party shall have any obligation to see to the application of such proceeds therefrom.

ARTICLE IV CONDITIONS PRECEDENT TO CREDIT EXTENSIONS

4.01 Conditions of Initial Credit Extension. The obligation of the L/C Issuer and each Lender to make its initial Credit Extension hereunder is subject to satisfaction of the following conditions precedent:

(a) The Administrative Agent's receipt of the following, each of which shall be originals, telecopies or other electronic image scan transmission (e.g., "pdf" or "tif" via e-mail) (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) and each in form and substance satisfactory to the Administrative Agent:

(i) executed counterparts of this Agreement sufficient in number for distribution to the Administrative Agent, each Lender and the Lead Borrower;

(ii) a Note executed by the Borrowers in favor of each Lender requesting a Note;

(iii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of Responsible Officers of each Loan Party as the Administrative Agent may require evidencing (A) the authority of each Loan Party to enter into this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party and (B) the identity, authority and capacity of each Responsible Officer thereof authorized to act as a Responsible Officer in connection with this Agreement and the other Loan Documents to which such Loan Party is a party or is to become a party;

(iv) copies of each Loan Party's Organization Documents and such other documents and certifications as the Administrative Agent may reasonably require to evidence that each Loan Party is duly organized or formed, and that each Loan Party is validly existing, in good standing and qualified to engage in business in each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification, except to the extent that failure to so qualify in such jurisdiction could not reasonably be expected to have a Material Adverse Effect;

(v) a favorable opinion of Lindquist & Vennum PLLP, counsel to the Loan Parties, addressed to the Administrative Agent and each Lender, as to such matters concerning the Loan Parties and the Loan Documents as the Administrative Agent may reasonably request;

(vi) a certificate signed by a Responsible Officer of the Lead Borrower certifying (A) that the conditions specified in Sections 4.02(a) and (b) have been satisfied, (B) that there has been no event or circumstance since January 31, 2010 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (C) to the Solvency of the Loan Parties as of the Closing Date after giving effect to the transactions contemplated hereby, and (D) either that (1) no consents, licenses or approvals are required in connection with the execution, delivery and performance by such Loan Party and the validity against such Loan Party of the Loan Documents to which it is a party, or (2) that all such consents, licenses and approvals have been obtained and are in full force and effect;

(vii) evidence that all insurance required to be maintained pursuant to the Loan Documents and all endorsements in favor of the Agents required under the Loan Documents have been obtained and are in effect;

(viii) a payoff letter from the agent for the lenders under the Existing Credit Agreement satisfactory in form and substance to the Administrative Agent evidencing that the Existing Credit Agreement has been or concurrently with the Closing Date is being terminated, all obligations thereunder are being paid in full, and all Liens securing obligations under the Existing Credit Agreement have been or concurrently with the Closing Date are being released;

(ix) the Security Documents (including, without limitation, the Mortgages, ~~to the extent that Eligible Real Estate is included in the Borrowing Base as of the Closing Date~~) and certificates evidencing any stock being pledged thereunder, together with undated stock powers executed in blank, each duly executed by the applicable Loan Parties, subject to acceptable temporary escrow of certificates pending payment in full of obligations under the Existing Credit Agreement;

(x) all other Loan Documents, each duly executed by the applicable Loan Parties;

(xi) (A) appraisals (based on net liquidation value) by a third party appraiser acceptable to the Collateral Agent of all Inventory of the Borrowers, the results of which are satisfactory to the Collateral Agent and (B) a written report regarding the results of a commercial finance examination of the Loan Parties, which shall be satisfactory to the Collateral Agent;

(xii) results of searches or other evidence reasonably satisfactory to the Collateral Agent (in each case dated as of a date reasonably satisfactory to the Collateral Agent) indicating the absence of Liens on the assets of the Loan Parties, except for Permitted Encumbrances and Liens for which termination statements and releases, satisfactions and discharges of any Mortgages, and releases or subordination

agreements satisfactory to the Collateral Agent are being tendered concurrently with such extension of credit or other arrangements satisfactory to the Collateral Agent for the delivery of such termination statements and releases, satisfactions and discharges have been made;

(xiii) (A) all documents and instruments, including Uniform Commercial Code financing statements, required by law or reasonably requested by the Collateral Agent to be filed, registered or recorded to create or perfect the first priority Liens intended to be created under the Loan Documents and all such documents and instruments shall have been so filed, registered or recorded to the satisfaction of the Collateral Agent, (B) the DDA Notifications, Credit Card Notifications, and Blocked Account Agreements required pursuant to Section 6.13 hereof, (C) control agreements with respect to the Loan Parties' securities and investment accounts, and (D) Collateral Access Agreements as required by the Collateral Agent;

(xiv) complete and correct copies of the Sponsor Note and the Trade Credit Documents, including Confirmation of Subordination Agreement (including all schedules, exhibits, amendments, supplements, modifications, assignments and all other documents delivered pursuant thereto or in connection therewith);1 and

~~(xv) to the extent that Eligible Real Estate is included in the Borrowing Base as of the Closing Date:~~

~~(A) evidence that all other actions that the Collateral Agent may deem necessary or desirable in order to create valid first and subsisting Liens on the property described in the Mortgages has been taken;~~

~~(B) an appraisal of each of the properties described in the Mortgages complying with the requirements of FIRREA by a third party appraiser acceptable to the Collateral Agent and otherwise in form and substance satisfactory to the Collateral Agent;~~

~~(C) flood certificates with respect to each of the properties described in the Mortgages certifying that such properties are not in a flood zone otherwise the Administrative Agent shall be named as loss payee and additional insured on flood insurance reasonably acceptable to the Administrative Agent with respect to such properties; and~~

~~(xv) (xvi) such other assurances, certificates, documents, consents or opinions as the Agents reasonably may require.~~

1. As used in this Section 4.01(a)(xiv), the terms "Sponsor Note" and "Trade Credit Documents" shall have the meanings assigned to such terms in this Agreement (without giving effect to the Second Amendment).

(b) After giving effect to (i) the first funding under the Loans, (ii) any charges to the Loan Account made in connection with the establishment of the credit facility contemplated hereby and (iii) all Letters of Credit to be issued at, or immediately subsequent to, such establishment, Availability shall be not less than \$11,000,000.

(c) The Administrative Agent shall have received a Borrowing Base Certificate dated the Closing Date, relating to the period ended as of May 22, 2010, and executed by a Responsible Officer of the Lead Borrower.

(d) The Administrative Agent shall be reasonably satisfied that any financial statements delivered to it fairly present the business and financial condition of the Loan Parties and that there has been no Material Adverse Effect since the date of the most recent financial information delivered to the Administrative Agent.

~~(e) The Administrative Agent shall be reasonably satisfied that the Real Estate Eligibility Conditions have been satisfied to the extent that Eligible Real Estate is included in the Borrowing Base as of the Closing Date.~~

(e) ~~(f)~~ The Administrative Agent shall have received and be satisfied with (i) a detailed forecast for the period commencing on the Closing Date and ending January 29, 2011, which shall include an Availability model, Consolidated income statement, balance sheet, and statement of cash flow, by month, each prepared in conformity with GAAP and consistent with the Loan Parties' then current practices and (b) such other information (financial or otherwise) reasonably requested by the Administrative Agent.

(f) ~~(g)~~ There shall not be pending any litigation or other proceeding, the result of which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

(g) ~~(h)~~ There shall not have occurred any default of any Material Contract of any Loan Party.

(h) ~~(i)~~ The consummation of the transactions contemplated hereby shall not violate any Applicable Law or any Organization Document.

(i) ~~(j)~~ All fees required to be paid to the Lenders on or before the Closing Date shall have been paid in full.

(j) ~~(k)~~ The Borrowers shall have paid all fees, charges and disbursements of counsel to the Administrative Agent to the extent invoiced prior to or on the Closing Date, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Borrowers and the Administrative Agent).

(k) ~~(l)~~ The Administrative Agent shall have received all documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

~~(l) (m)~~ No material changes in governmental regulations or policies affecting any Loan Party or any Credit Party shall have occurred prior to the Closing Date.

~~(m) (n)~~ There shall not have occurred any disruption or material adverse change in the United States financial or capital markets in general that has had, in the reasonable opinion of the Administrative Agent, a material adverse effect on the market for loan syndications or adversely affecting the syndication of the Loans.

Without limiting the generality of the provisions of Section 9.04, for purposes of determining compliance with the conditions specified in this Section 4.01, 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 Closing Date specifying its objection thereto.

4.02 Conditions to all Credit Extensions. The obligation of each Lender to honor any Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type, or a continuation of LIBO Rate Loans) and each L/C Issuer to issue each Letter of Credit is subject to the following conditions precedent:

(a) The representations and warranties of each Loan Party contained in Article V or any other Loan Document, or which are contained in any document furnished at any time under or in connection herewith or therewith, shall be true and correct in all material respects on and as of the date of such Credit Extension, except (i) to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date, ~~and except that~~ (ii) to the extent that such representations and warranties qualified by materiality, in which case they shall be true and correct in all respects, and (iii) for purposes of this Section 4.02, the representations and warranties contained in subsections (a), (b) and (e) of Section 5.05 shall be deemed to refer to the most recent statements furnished pursuant to clauses (a), (b) and (d), respectively, of Section 6.01.

(b) No Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds thereof.

(c) The Administrative Agent and, if applicable, the L/C Issuer or the Swing Line Lender shall have received a Request for Credit Extension in accordance with the requirements hereof.

(d) No event or circumstance which could reasonably be expected to result in a Material Adverse Effect shall have occurred.

(e) No Overadvance shall result from such Credit Extension.

Each Request for Credit Extension (other than a Committed Loan Notice requesting only a conversion of Committed Loans to the other Type or a continuation of LIBO Rate Loans) submitted by the Borrower shall be deemed to be a representation and warranty by the Borrowers that the conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension.

The conditions set forth in this Section 4.02 are for the sole benefit of the Credit Parties but until the Required Lenders otherwise direct the Administrative Agent to cease making Committed Loans, the Lenders will fund their Applicable Percentage of all Loans and L/C Advances and participate in all Swing Line Loans and Letters of Credit whenever made or issued, which are requested by the Lead Borrower and which, notwithstanding the failure of the Loan Parties to comply with the provisions of this Article IV, agreed to by the Administrative Agent, provided, however, the making of any such Loans or the issuance of any Letters of Credit shall not be deemed a modification or waiver by any Credit Party of the provisions of this Article IV on any future occasion or a waiver of any rights or the Credit Parties as a result of any such failure to comply.

ARTICLE V REPRESENTATIONS AND WARRANTIES

To induce the Credit Parties to enter into this Agreement and to make Loans and to issue Letters of Credit hereunder, each Loan Party represents and warrants to the Administrative Agent and the other Credit Parties that:

5.01 Existence, Qualification and Power. Each Loan Party and each Subsidiary thereof (a) is a corporation, limited liability company, partnership or limited partnership, duly incorporated, organized or formed, validly existing and, where applicable, in good standing under the Laws of the jurisdiction of its incorporation, organization, or formation (b) has all requisite power and authority and all requisite governmental licenses, permits, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, where applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. Schedule 5.01 annexed hereto sets forth, as of the Closing Second Amendment Effective Date, each Loan Party's name as it appears in official filings in its state of incorporation or organization, its state of incorporation or organization, organization type, organization number, if any, issued by its state of incorporation or organization, and its federal employer identification number.

5.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is or is to be a party, has been duly authorized by all necessary corporate or other organizational action, and does not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach, termination, or contravention of, or constitute a default under, or require any payment to be made under (i) any Material Contract or any Material Indebtedness to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (c) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Collateral Agent under the Security Documents); or (d) violate any Law.

5.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, except for (a) the perfection or maintenance of the Liens created under the Security Documents (including the first priority nature thereof, subject to the Intercreditor Agreement) or (b) such as have been obtained or made and are in full force and effect.

5.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

5.05 Financial Statements; No Material Adverse Effect.

(a) The Audited Financial Statements to be provided on or before July 1, 2010, will (i) be prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein; (ii) fairly present the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby; and (iii) show all Material Indebtedness and other liabilities, direct or contingent, of the Parent and its Subsidiaries as of the date thereof, including liabilities for taxes, material commitments and Indebtedness.

(b) The unaudited Consolidated and consolidating balance sheet of the Parent and its Subsidiaries dated May 1, 2010, and the related Consolidated and consolidating statements of income or operations, Shareholders' Equity and cash flows for the fiscal quarter ended on that date (i) were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) fairly present the financial condition of the Parent and its Subsidiaries as of the date thereof and their results of operations for the period covered thereby, subject, in the case of clauses (i) and (ii), to the absence of footnotes and to normal year-end audit adjustments. Schedule 5.05 sets forth all Material Indebtedness of the Loan Parties and their Consolidated Subsidiaries as of the date of such financial statements, including liabilities for taxes, material commitments and Material Indebtedness.

(c) Since January 31, 2010, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

(d) Intentionally Omitted.

(e) The Consolidated and consolidating forecasted balance sheet and statements of income and cash flows of the Parent and its Subsidiaries delivered pursuant to Section 6.01(d) will be prepared in good faith on the basis of the assumptions stated therein, which assumptions were fair in

light of the conditions existing at the time of delivery of such forecasts, and represented, at the time of delivery, the Loan Parties' best estimate of its future financial performance.

5.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Loan Parties after due and diligent investigation, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against any Loan Party or any of its Subsidiaries or against any of its properties or revenues that (a) purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) except as specifically disclosed in Schedule 5.06, either individually or in the aggregate, if determined adversely, could reasonably be expected to have a Material Adverse Effect, and there has been no adverse change in the status, or financial effect on any Loan Party or any Subsidiary thereof, of the matters described on Schedule 5.06.

5.07 No Default. Except as disclosed on Schedule 5.07, no Loan Party or any Subsidiary is in default under or with respect to any Material Contract or any Material Indebtedness. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

5.08 Ownership of Property; Liens

(a) Each of the Loan Parties and each Subsidiary thereof has good record and marketable title in fee simple to or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, free and clear of all Liens, other than Permitted Encumbrances. Each of the Loan Parties and each Subsidiary has good and marketable title to, valid leasehold interests in, or valid licenses to use all personal property and assets material to the ordinary conduct of its business.

(b) Schedule 5.08(b)(1) sets forth the address (including street address, county and state) of all Real Estate that is owned by the Loan Parties, together with a list of the holders of any mortgage or other Lien thereon as of the ClosingSecond Amendment Effective Date. Schedule 5.08(b)(2) sets forth the address (including street address, county and state) of all Leases of the Loan Parties, together with a list of the lessor and its contact information with respect to each such Lease as of the ClosingSecond Amendment Effective Date. Each of such Leases is in full force and effect and the Loan Parties are not in default of the terms thereof.

(c) Schedule 7.01 sets forth a complete and accurate list of all Liens on the property or assets of each Loan Party and each of its Subsidiaries, showing as of the ClosingSecond Amendment Effective Date the lienholder thereof, the principal amount of the obligations secured thereby and the property or assets of such Loan Party or such Subsidiary subject thereto. The property of each Loan Party and each of its Subsidiaries is subject to no Liens, other than Permitted Encumbrances.

(d) Schedule 7.02 sets forth a complete and accurate list of all Investments held by any Loan Party or any Subsidiary of a Loan Party on the ClosingSecond Amendment Effective Date, showing as of the ~~date hereof~~ Second Amendment Effective Date the amount, obligor or issuer and maturity, if any, thereof.

(e) Schedule 7.03 sets forth a complete and accurate list of all Indebtedness of each Loan Party or any Subsidiary of a Loan Party on the ClosingSecond Amendment Effective Date, showing

5.09 Environmental Compliance

(a) Except as specifically disclosed in Schedule 5.09, no Loan Party or any Subsidiary thereof (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) to the Knowledge of the Senior Executive Officers, is aware of any basis for any Environmental Liability, except, in each case, as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Except as otherwise set forth in Schedule 5.09, (i) none of the properties currently or formerly owned or currently operated by any Loan Party or any Subsidiary thereof is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list; (ii) there are no underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned by any Loan Party or any Subsidiary thereof; (iii) to the Knowledge of the Senior Executive Officers, there is no asbestos or asbestos-containing material on any property currently owned or operated by any Loan Party or Subsidiary thereof; and (iv) Hazardous Materials have not been unlawfully released, discharged or disposed of by any Loan Party or Subsidiary thereof on any property currently or formerly owned or operated by any Loan Party or any Subsidiary thereof.

(c) Except as otherwise set forth on Schedule 5.09, 5.09, no Loan Party or any Subsidiary thereof is undertaking, and no Loan Party or any Subsidiary thereof has completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party or any Subsidiary thereof have been disposed of in a manner not reasonably expected to result in material liability to any Loan Party or any Subsidiary thereof.

5.10 Insurance. The properties of the Loan Parties and their Subsidiaries are insured with insurance companies which are financially sound and reputable to the actual knowledge of the Senior Executive Officers and which are not Affiliates of the Loan Parties, in such amounts, with such deductibles and covering such risks (including, without limitation, workmen's compensation, public liability, business interruption and property damage insurance) as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties or the applicable Subsidiary operates. Schedule 5.10 sets forth a description of all insurance maintained by or on behalf of the Loan Parties as of the Closing Second Amendment Effective Date. Each insurance policy listed on Schedule 5.10 is in full force and effect and all premiums in respect thereof that are due and payable have been paid.

5.11 Taxes. The Loan Parties and their Subsidiaries have filed all Federal, state and other material tax returns and reports required to be filed, and have paid all Federal, state and other material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those relating to Allowed Priority Tax Claims (as defined in the Plan of Reorganization) which will be paid pursuant to the Plan of Reorganization, and those which are being contested in good faith by appropriate proceedings being diligently conducted, for which adequate reserves have been provided in accordance with GAAP, as to which Taxes no Lien (other than Permitted Encumbrances) has been filed and which contest effectively suspends the collection of the contested obligation and the enforcement of any Lien securing such obligation. None of the Loan Parties or any of their Subsidiaries has received written notice of a proposed tax assessment against any such Loan Party or Subsidiary that would, if made, have a Material Adverse Effect. No Loan Party or any Subsidiary thereof is a party to any tax sharing agreement.

5.12 ERISA Compliance.

(a) Each Plan is in substantial compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws. Each Plan that is intended to qualify under Section 401(a) of the Code or sponsor of such plan has received a favorable determination, opinion or advisory letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the ~~Lead Borrower~~ Loan Parties, nothing has occurred which would prevent, or cause the loss of, such qualification. The Loan Parties and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code, and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan. No Lien imposed under the Code or ERISA exists to the Knowledge of the ~~Lead Borrower~~ Loan Parties or is likely to arise on account of any Plan.

(b) There are no pending or, to the knowledge of the ~~Lead Borrower~~ Loan Parties, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or, if applicable, violation of the ERISA fiduciary responsibility rules with respect to any Plan that has resulted or to the Knowledge of the ~~Lead Borrower~~ Loan Parties could reasonably be expected to result in a Material Adverse Effect.

(c) (i) No ERISA Event has occurred or is reasonably expected to occur; (ii) no Pension Plan has any Unfunded Pension Liability; (iii) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Pension Plan (other than premiums due and not delinquent under Section 4007 of ERISA); (iv) neither any Loan Party nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan; and (v) neither any Loan Party nor any ERISA Affiliate has engaged in a transaction that could be subject to Sections 4069 or 4212(c) of ERISA.

5.13 Subsidiaries; Equity Interests. The Loan Parties have no Subsidiaries other than those specifically disclosed in Part (a) of Schedule 5.13, which Schedule sets forth the legal name, jurisdiction of incorporation or formation and authorized Equity Interests of each such Subsidiary. All of the

outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and non-assessable and are owned by a Loan Party (or a Subsidiary of a Loan Party) in the amounts specified on Part (a) of Schedule 5.13 free and clear of all Liens except for those created under the Security Documents and, subject to the Intercreditor Agreement, those in favor of the Term Agent pursuant to the Term Documents. Except as set forth in Schedule 5.13, there are no outstanding rights to purchase any Equity Interests in any Subsidiary. The Loan Parties have no equity investments in any other corporation or entity other than those specifically disclosed in Part (b) of Schedule 5.13. All of the outstanding Equity Interests in the Loan Parties have been validly issued, and are fully paid and non-assessable and are owned in the amounts specified on Part (c) of Schedule 5.13 free and clear of all Liens except for those created under the Security Documents. The copies of the Organization Documents of each Loan Party and each amendment thereto provided pursuant to Section 4.01 are true and correct copies of each such document, each of which is valid and in full force and effect.

5.14 Margin Regulations; Investment Company Act;

(a) No Loan Party is engaged or will be engaged, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock. None of the proceeds of the Credit Extensions shall be used directly or indirectly for the purpose of purchasing or carrying any margin stock, for the purpose of reducing or retiring any Indebtedness that was originally incurred to purchase or carry any margin stock or for any other purpose that might cause any of the Credit Extensions to be considered a “purpose credit” within the meaning of Regulations T, U, or X issued by the FRB.

(b) None of the Loan Parties, any Person Controlling any Loan Party, or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

5.15 Disclosure. Each Loan Party has disclosed to the Administrative Agent and the Lenders all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Loan Parties represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

5.16 Compliance with Laws. Each of the Loan Parties and each Subsidiary is in compliance in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently

conducted or (b) the failure to comply therewith, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.17 Intellectual Property; Licenses, Etc. The Loan Parties and their Subsidiaries own, or possess the right to use, all of the Intellectual Property, licenses, permits and other authorizations that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person. To the best knowledge of the Lead Borrower, no slogan or other advertising device, product, process, method, part or other material now employed, or now contemplated to be employed, by any Loan Party or any Subsidiary infringes upon any rights held by any other Person. Except as specifically disclosed in Schedule 5.17, no claim or litigation regarding any of the foregoing is pending or, to the best knowledge of the Lead Borrower, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

5.18 Labor Matters.

There are no strikes, lockouts, slowdowns or other material labor disputes against any Loan Party or any Subsidiary thereof pending or, to the knowledge of any Loan Party, threatened. To the Knowledge of the Senior Executive Officers, the hours worked by and payments made to employees of the Loan Parties comply with the Fair Labor Standards Act and any other applicable federal, state, local or foreign Law dealing with such matters except to the extent that any such violation could not reasonably be expected to have a Material Adverse Effect. No Loan Party or any of its Subsidiaries has incurred any liability or obligation under the Worker Adjustment and Retraining Act or similar state Law. All payments due from any Loan Party and its Subsidiaries, or for which any claim may be made against any Loan Party or any of its Subsidiaries, on account of wages and employee health and welfare insurance and other benefits, have been paid or properly accrued in accordance with GAAP as a liability on the books of such Loan Party. Except as set forth on Schedule 5.18, no Loan Party or any Subsidiary is a party to or bound by any collective bargaining agreement, management agreement, employment agreement, bonus, restricted stock, stock option, or stock appreciation plan or agreement or any similar plan, agreement or arrangement. There are no representation proceedings pending or, to any Loan Party's knowledge, threatened to be filed with the National Labor Relations Board, and no labor organization or group of employees of any Loan Party or any Subsidiary has made a pending demand for recognition. Except as set forth on Schedule 5.18, there are no complaints, unfair labor practice charges, grievances, arbitrations, unfair employment practices charges or any other claims or complaints against any Loan Party or any Subsidiary pending or, to the knowledge of any Loan Party, threatened to be filed with any Governmental Authority or arbitrator based on, arising out of, in connection with, or otherwise relating to the employment or termination of employment of any employee of any Loan Party or any of its Subsidiaries. The consummation of the transactions contemplated by the Loan Documents will not give rise to any right of termination or right of renegotiation on the part of any union under any collective bargaining agreement to which any Loan Party or any of its Subsidiaries is bound.

5.19 Intentionally Omitted.

5.20 Solvency

After giving effect to the transactions contemplated by this Agreement and the Term Documents (including, without limitation, the making of the Restricted Payment described in Section 7.06(d)), and before and after giving effect to each Credit Extension, the Loan Parties, on a Consolidated basis, are Solvent. No transfer of property has been or will be made by any Loan Party and no obligation has been or will be incurred by any Loan Party in connection with the transactions contemplated by this Agreement or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of any Loan Party.

5.21 Deposit Accounts; Credit Card Arrangements.

(a) Annexed hereto as Schedule 5.21(a) is a list of all DDAs and Blocked Accounts maintained by the Loan Parties as of the Closing Date, which Schedule includes, with respect to each DDA and each Blocked Account (i) the name and address of the depository; (ii) the account number(s) maintained with such depository; (iii) a contact person at such depository, and (iv) the identification of each Blocked Account Bank.

(b) Annexed hereto as Schedule 5.21(b) is a list describing all arrangements as of the ~~Closing~~Second Amendment Effective Date to which any Loan Party is a party with respect to the processing and/or payment to such Loan Party of the proceeds of any credit card charges for sales made by such Loan Party.

5.22 Brokers. No broker or finder brought about the obtaining, making or closing of the Loans or transactions contemplated by the Loan Documents, and no Loan Party or Affiliate thereof has any obligation to any Person in respect of any finder's or brokerage fees in connection therewith.

5.23 Customer and Trade Relations. There exists no actual or, to the knowledge of any Loan Party, threatened, termination or cancellation of, or any material adverse modification or change in the business relationship of any Loan Party with any supplier material to its operations.

5.24 Material Contracts. Schedule 5.24 sets forth all Material Contracts to which any Loan Party is a party or is bound as of the ~~Closing~~Second Amendment Effective Date. The Loan Parties have delivered true, correct and complete copies of such Material Contracts to the Administrative Agent on or before the ~~date hereof~~Second Amendment Effective Date. The Loan Parties are not in breach or in default in any material respect of or under any Material Contract and have not received any notice of the intention of any other party thereto to terminate any Material Contract.

5.25 Casualty. Neither the businesses nor the properties of any Loan Party or any of its Subsidiaries are affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance) that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

ARTICLE VI AFFIRMATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, the Loan Parties shall, and shall (except in the case of the covenants set forth in Sections 6.01, 6.02, and 6.03) cause each Subsidiary to:

6.01 Financial Statements. Deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent:

(a) as soon as available, but in any event within 90 days after the end of each Fiscal Year of the Parent, a Consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of such Fiscal Year, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and prepared in accordance with GAAP, such consolidated statements to be audited and accompanied by (i) a report and unqualified opinion of a Registered Public Accounting Firm reasonably acceptable to the Administrative Agent, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, and such consolidating statements to be certified by a Responsible Officer of the Lead Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

(b) as soon as available, but in any event within 45 days after the end of each of the Fiscal Quarters of each Fiscal Year of the Parent, a Consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of such Fiscal Quarter, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Quarter and for the portion of the Parent's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) hereof, (B) the corresponding Fiscal Quarter of the previous Fiscal Year and (C) the corresponding portion of the previous Fiscal Year, all in reasonable detail, such Consolidated statements to be certified by a Responsible Officer of the Lead Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Parent and its Subsidiaries as of the end of such Fiscal Quarter in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes and such consolidating statements to be certified by a Responsible Officer of the Lead Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

(c) as soon as available, but in any event within 30 days after the end of each of the Fiscal Months of each fiscal year of the Parent, a consolidated and, if requested by Administrative Agent, consolidating balance sheet of the Parent and its Subsidiaries as at the end of such Fiscal Month, and the related consolidated, and if so requested, consolidating statements of income or operations, Shareholders' Equity and cash flows for such Fiscal Month, and for the portion of the Parent's Fiscal Year then ended, setting forth in each case in comparative form the figures for (A) such period set forth in the projections delivered pursuant to Section 6.01(d) hereof, (B) the corresponding Fiscal Month of the previous Fiscal Year and (C)

the corresponding portion of the previous fiscal year, all in reasonable detail, such consolidated statements to be certified by a Responsible Officer of the Lead Borrower as fairly presenting the financial condition, results of operations, Shareholders' Equity and cash flows of the Parent and its Subsidiaries as of the end of such Fiscal Month in accordance with GAAP, subject only to normal year-end audit adjustments and the absence of footnotes and such consolidating statements to be certified by a Responsible Officer of the Lead Borrower to the effect that such statements are fairly stated in all material respects when considered in relation to the consolidated financial statements of the Parent and its Subsidiaries;

(d) as soon as available, but in any event no ~~more later~~ than 30 days ~~after~~prior to the end of each Fiscal Year of the Parent, forecasts prepared by management of the Lead Borrower, in form satisfactory to the Administrative Agent, of consolidated balance sheets and statements of income or operations and cash flows of the Parent and its Subsidiaries on a monthly basis for the immediately following Fiscal Year (including the fiscal year in which the Maturity Date occurs), and as soon as available, any significant revisions to such forecast with respect to such following Fiscal Year.

6.02 Certificates; Other Information. Deliver to the Administrative Agent, in form and detail satisfactory to the Administrative Agent:

(a) concurrently with the delivery of the financial statements referred to in Section 6.01(a), a certificate of its Registered Public Accounting Firm certifying such financial statements;

(b) (i) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) and (c), a duly completed Compliance Certificate signed by a Responsible Officer of the Lead Borrower, and (ii) concurrently with the delivery of the financial statements referred to in Sections 6.01(a) and (b) a copy of management's discussion and analysis with respect to such financial statements;

(c) on the 5th day of each Fiscal Month (or, if such day is not a Business Day, on the next succeeding Business Day), a certificate in the form of Exhibit G (a "Borrowing Base Certificate") showing the Borrowing Base as of the close of business as of the last day of the immediately preceding Fiscal Month, each Borrowing Base Certificate to be certified as complete and correct by a Responsible Officer of the Lead Borrower; provided that at any time that an Accelerated Borrowing Base Delivery Event has occurred and is continuing, such Borrowing Base Certificate shall be delivered 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;

(d) promptly upon receipt, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by its Registered Public Accounting Firm in connection with the accounts or books of the Loan Parties or any Subsidiary, or any audit of any of them, including, without limitation, specifying any Internal Control Event;

(e) The financial and collateral reports described on Schedule 6.02 hereto, at the times set forth in such Schedule;

(f) as soon as available, but in any event within 30 days after the end of each fiscal year of the Loan Parties, a report summarizing the insurance coverage (specifying type, amount and carrier) in effect for each Loan Party and its Subsidiaries and containing such additional information as the Administrative Agent, or any Lender through the Administrative Agent, may reasonably specify;

(g) promptly after the Administrative Agent's request therefor, copies of all Material Contracts and documents evidencing Material Indebtedness; and

(h) promptly, such additional information regarding the business affairs, financial condition or operations of any Loan Party or any Subsidiary, or compliance with the terms of the Loan Documents, as the Administrative Agent or any Lender may from time to time reasonably request.

Documents required to be delivered pursuant to Section 6.01(a), (b), or (c) or Section 6.02(d) (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 date (i) on which the Lead Borrower posts such documents, or provides a link thereto on the Lead Borrower's website on the Internet at the website address listed on Schedule 10.02; or (ii) on which such documents are posted on the Lead Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial, third-party website or whether sponsored by the Administrative Agent); provided that: (i) the Lead Borrower shall deliver paper copies of such documents to the Administrative Agent or any Lender that requests the Lead Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Administrative Agent or such Lender and (ii) the Lead Borrower shall notify the Administrative Agent and each Lender (by telecopier or electronic mail) 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. Notwithstanding anything contained herein, in every instance the Lead Borrower shall be required to provide paper copies of the Compliance Certificates required by Section 6.02(b) to the Administrative Agent. The Administrative Agent shall have no obligation to request the delivery or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Loan Parties with any such request for delivery, and each Lender shall be solely responsible for requesting delivery to it or maintaining its copies of such documents.

The Loan Parties hereby acknowledge that (a) the Administrative Agent and/or the Arranger will make available to the Lenders and the L/C Issuer materials and/or information provided by or on behalf of the Loan Parties hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "Platform") and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to the Loan Parties or their securities) (each, a "Public Lender"). The Loan Parties hereby agree that they will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Loan

Parties shall be deemed to have authorized the Administrative Agent, the Arranger, the L/C Issuer and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Loan Parties or their securities for purposes of United States Federal and state securities laws (provided, however, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 10.07); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the Administrative Agent and the Arranger shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor."

6.03 Notices. Promptly notify the Administrative Agent:

- (a) of the occurrence of any Default, to the Knowledge of a Senior Executive Officer;
- (b) of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including (i) breach or non-performance of, or any default under, a Material Contract or with respect to Material Indebtedness of any Loan Party or any Subsidiary thereof; (ii) any dispute, litigation, investigation, proceeding or suspension between any Loan Party or any Subsidiary thereof and any Governmental Authority; or (iii) the commencement of, or any material development in, any litigation or proceeding affecting any Loan Party or any Subsidiary thereof, including pursuant to any applicable Environmental Laws;
- (c) of the occurrence of any ERISA Event, to the Knowledge of a Senior Executive Officer;
- (d) of any material change in accounting policies or financial reporting practices by any Loan Party or any Subsidiary thereof;
- (e) of any change in any Loan Party's Senior Executive Officers;
- (f) of the discharge by any Loan Party of its present Registered Public Accounting Firm or any withdrawal or resignation by such Registered Public Accounting Firm;
- (g) of any collective bargaining agreement or other labor contract to which a Loan Party becomes a party, or the application for the certification of a collective bargaining agent;
- (h) of the filing of any Lien for unpaid Taxes against any Loan Party, to the Knowledge of a Senior Executive Officer;
- (i) of any casualty or other insured damage to any material portion of the Collateral, to the Knowledge of a Senior Executive Officer, or the commencement of any action or proceeding for the taking of any interest in a material portion of the Collateral under power of eminent domain or by condemnation or similar proceeding or if any material portion of the Collateral is damaged or destroyed;

(j) of (i) any amendment, supplement, modification, waiver or consent to the Term Documents, in each case together with copies thereof, and (ii) the occurrence of any Mandatory Term Loan Prepayment;

(k) of the occurrence of any "Default" or "Event of Default" under (and as defined in) the Term Documents;

(l) of the occurrence of a Cash Dominion Event; and

(m) ~~(j)~~ of any transaction of the nature contained in ARTICLE VII hereof, occurring after the Closing Date, including, without limitation, (i) the entry by a Loan Party into a Material Contract, (ii) the incurrence by a Loan Party of Material Indebtedness, (iii) the voluntary or, to the actual knowledge of a Senior Executive Officer, involuntary grant of any Lien upon any property of a Loan Party; or (iv) the making of any Investments by a Loan Party.

Each notice pursuant to this Section shall be accompanied by a statement of a Responsible Officer of the Lead Borrower setting forth details of the occurrence referred to therein and stating what action the Lead Borrower has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.03(a) shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

6.04 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, (b) all lawful claims (including, without limitation, claims of landlords, warehousemen, customs brokers, and carriers) which, if unpaid, would by law become a Lien upon its property; and (c) all Indebtedness, as and when due and payable, but subject to any subordination provisions contained in any instrument or agreement evidencing such Indebtedness, except, in each case, where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) such Loan Party has set aside on its books adequate reserves with respect thereto in accordance with GAAP, (c) such contest effectively suspends collection of the contested obligation and enforcement of any Lien securing such obligation, (d) no Lien has been filed with respect thereto and (e) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect. Nothing contained herein shall be deemed to limit the rights of the Agents with respect to determining Reserves pursuant to this Agreement.

6.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization or formation except in a transaction permitted by Section 7.04 or 7.05; (b) take all reasonable action to maintain all rights, privileges, permits, licenses, including all Federal firearm licenses, and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its Intellectual Property, except to the extent such Intellectual Property is no longer used or useful in the conduct of the business of the Loan Parties.

6.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; and (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

6.07 Maintenance of Insurance. Maintain with financially sound and reputable insurance companies reasonably acceptable to the Administrative Agent not Affiliates of the Loan Parties, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business and operating in the same or similar locations or as is required by applicable Law, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons and as are reasonably acceptable to the Administrative Agent.

(a) Fire and extended coverage policies maintained with respect to any Collateral shall be endorsed or otherwise amended to include, as the insurable interest of the Loan Parties, Collateral Agent, Administrative Agent or Credit Parties should appear, (i) a non-contributing mortgage clause (regarding improvements to real property) and lenders' loss payable clause (regarding personal property), in form and substance satisfactory to the Collateral Agent, which endorsements or amendments shall provide that the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Collateral Agent, (ii) a provision to the effect that none of the Loan Parties, Credit Parties or any other Person shall be a co-insurer and (iii) such other provisions as the Collateral Agent may reasonably require from time to time to protect the interests of the Credit Parties. Commercial general liability policies shall be endorsed to name the Collateral Agent as an additional insured. Business interruption policies shall name the Collateral Agent as a loss payee and shall be endorsed or amended to include, as the insurable interest of the Loan Parties, Collateral Agent, Administrative Agent or Credit Parties should appear, (1) a provision that, from and after the Closing Date, the insurer shall pay all proceeds otherwise payable to the Loan Parties under the policies directly to the Collateral Agent, (2) a provision to the effect that none of the Loan Parties, the Administrative Agent, the Collateral Agent or any other party shall be a co-insurer and (3) such other provisions as the Collateral Agent may reasonably require from time to time to protect the interests of the Credit Parties. Each such policy referred to in this Section 6.07(b) shall also provide that it shall not be canceled, modified or not renewed (y) by reason of nonpayment of premium except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Collateral Agent (giving the Collateral Agent the right to cure defaults in the payment of premiums) or (z) for any other reason except upon not less than thirty (30) days' prior written notice thereof by the insurer to the Collateral Agent. The Lead Borrower shall deliver to the Collateral Agent, prior to the cancellation, modification or non-renewal of any such policy of insurance, a copy of a renewal or replacement policy (or other evidence of renewal of a policy previously delivered to the Collateral Agent, including an insurance binder) together with evidence satisfactory to the Collateral Agent of payment of the premium therefor.

~~(b) If at any time the area in which any Eligible Real Estate is located is designated (i) a "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), obtain flood insurance in such total amount as is reasonable and customary for companies engaged in the retail business, and otherwise comply with the National Flood Insurance Program as set forth in the Flood Disaster Protection Act of 1973, as amended~~

~~from time to time, or (ii) a "Zone 1" area, obtain earthquake insurance in such total amount as is reasonable and customary for companies engaged in its business.~~

~~(b) (c)~~ None of the Credit Parties, or their agents or employees shall be liable for any loss or damage insured by the insurance policies required to be maintained under this Section 6.07. Each Loan Party shall look solely to its insurance companies or any other parties other than the Credit Parties for the recovery of such loss or damage and such insurance companies shall have no rights of subrogation against any Credit Party or its agents or employees. If, however, the insurance policies do not provide waiver of subrogation rights against such parties, as required above, then the Loan Parties hereby agree, to the extent permitted by law, to waive their right of recovery, if any, against the Credit Parties and their agents and employees. The designation of any form, type or amount of insurance coverage by the any Credit Party under this Section 6.07 shall in no event be deemed a representation, warranty or advice by such Credit Party that such insurance is adequate for the purposes of the business of the Loan Parties or the protection of their properties.

~~(c) (d)~~ Maintain for themselves and their Subsidiaries, a Directors and Officers insurance policy, and a "Blanket Crime" policy including employee dishonesty, forgery or alteration, theft, disappearance and destruction, robbery and safe burglary, property, and computer fraud coverage with responsible companies in such amounts as are customarily carried by business entities engaged in similar businesses similarly situated, and will upon request by the Administrative Agent furnish the Administrative Agent certificates evidencing renewal of each such policy.

~~(d) (e)~~ Permit any representatives that are designated by the Collateral Agent to inspect the insurance policies maintained by or on behalf of the Loan Parties and to inspect books and records related thereto and any properties covered thereby. The Loan Parties shall pay the reasonable fees and expenses of any representatives retained by the Collateral Agent to conduct any such inspection.

6.08 Compliance with Laws. Comply in all material respects with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted and with respect to which adequate reserves have been set aside and maintained by the Loan Parties in accordance with GAAP; (b) such contest effectively suspends enforcement of the contested Laws, and (c) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

6.09 Books and Records; Accountants

(a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Loan Parties or such Subsidiary, as the case may be; and (ii) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Loan Parties or such Subsidiary, as the case may be.

(b) at all times retain a Registered Public Accounting Firm which is reasonably satisfactory to the Administrative Agent and shall instruct such Registered Public Accounting Firm to

cooperate with, and be available to, the Administrative Agent or its representatives to discuss the Loan Parties' financial performance, financial condition, operating results, controls, and such other matters, within the scope of the retention of such Registered Public Accounting Firm, as may be raised by the Administrative Agent.

6.10 Inspection Rights

(a) Permit representatives and independent contractors of the Administrative Agent to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and Registered Public Accounting Firm, all at the expense of the Loan Parties and at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Lead Borrower; provided, however, that when an Event of Default exists the Administrative Agent (or any of its representatives or independent contractors) may do any of the foregoing at the expense of the Loan Parties at any time during normal business hours and without advance notice.

(b) Upon the request of the Administrative Agent after reasonable prior notice, permit the Administrative Agent or professionals (including investment bankers, consultants, accountants, lawyers and appraisers) retained by the Administrative Agent to conduct appraisals, commercial finance examinations and other evaluations, including, without limitation, of (i) the Lead Borrower's practices in the computation of the Borrowing Base and (ii) the assets included in the Borrowing Base and related financial information such as, but not limited to, sales, gross margins, payables, accruals and reserves. The Loan Parties shall pay the fees and expenses of the Administrative Agent and such professionals with respect to such evaluations and appraisals. Without limiting the foregoing, the Loan Parties acknowledge that the Administrative Agent may, in its discretion, undertake, at the Loan Parties' expense, up to ~~(X) two (2)~~ one (1) inventory ~~appraisals~~ appraisal and ~~two~~ one (1) commercial finance ~~examinations~~ examination in any Fiscal Year when Availability is at all times during such Fiscal Year greater than ~~or equal to~~ 45% of the Loan Cap. ~~(Y) up to two (2) inventory appraisals and two (2) commercial finance examinations in any Fiscal Year when Availability is at any time during such Fiscal Year is less than or equal to 45% of the Loan Cap but greater than~~ 25% of the Loan Cap, and ~~(Z) up to four~~ three (3) inventory appraisals and ~~four~~ three (3) commercial finance examinations in any Fiscal Year when Availability is at any time during such Fiscal Year less than or equal to 25% of the Loan Cap. Notwithstanding anything to the contrary contained herein, the Administrative Agent may cause additional inventory appraisals and commercial finance examinations to be undertaken (x) as it in its discretion deems necessary or appropriate, at its own expense, or (y) at the expense of the Loan Parties, at any time required by applicable Law or if a Default shall have occurred and be continuing.

~~(c) Permit the Administrative Agent, from time to time, engage a geohydrologist, an independent engineer or other qualified consultant or expert, reasonably acceptable to the Administrative Agent, at the expense of the Loan Parties, to undertake Phase I environmental site assessments during the term of this Agreement of the Eligible Real Estate, provided that such assessments may only be undertaken (i) during the continuance of an Event of Default, (ii) if a Loan Party receives any notice or obtains knowledge of (A) any potential or known release of any Hazardous Materials at or from any Eligible Real Estate, notification of which must be given to any Governmental Authority under any Environmental Law, or notification of which has, in fact, been given to any Governmental Authority, or (B) any complaint, order, citation or notice with regard to air emissions,~~

~~water discharges, or any other environmental health or safety matter affecting any Loan Party or any Eligible Real Estate from any Person (including, without limitation, the Environmental Protection Agency). Environmental assessments may include detailed visual inspections of the Real Estate, including, without limitation, any and all storage areas, storage tanks, drains, dry wells and leaching areas, and the taking of soil samples, surface water samples and ground water samples, as well as such other investigations or analyses as are reasonably necessary for a determination of the compliance of the Real Estate and the use and operation thereof with all applicable Environmental Laws. The Borrowers will, and will cause each of their Subsidiaries to, cooperate in all respects with the Administrative Agent and such third parties to enable such assessment and evaluation to be timely completed in a manner reasonably satisfactory to the Administrative Agent.~~

6.11 Use of Proceeds. Use the proceeds of the Credit Extensions (a) to finance the acquisition of working capital assets of the Borrowers, including the purchase of inventory and equipment, in each case in the ordinary course of business, (b) to finance Capital Expenditures of the Borrowers, (c) for general corporate purposes of the Loan Parties, (d) to pay in full any obligations outstanding under the Existing Credit Agreement, (e) to pay in full any obligations outstanding in respect of ~~the Sponsor Note, the Trade Credit, the Cash Flow Payments and other~~ Subordinated Debt, in each case described in this Section 6.11 to the extent expressly permitted under applicable Law and the Loan Documents.~~49~~

6.12 Additional Loan Parties. Notify the Administrative Agent at the time that any Person becomes a Subsidiary, and promptly thereafter (and in any event within fifteen (15) days), cause any such Person (a) which is not a CFC, to (i) become a Loan Party by executing and delivering to the Administrative Agent a Joinder to this Agreement or a counterpart of the Facility Guaranty or such other document as the Administrative Agent shall deem appropriate for such purpose, (ii) grant a Lien to the Collateral Agent on such Person's assets to secure the Obligations, and (iii) deliver to the Administrative Agent documents of the types referred to in clauses (iii) and (iv) of Section 4.01(a) and favorable opinions of counsel to such Person (which shall cover, among other things, the legality, validity, binding effect and enforceability of the documentation referred to in clause (a)), and (b) if any Equity Interests or Indebtedness of such Person are owned by or on behalf of any Loan Party, to pledge such Equity Interests and promissory notes evidencing such Indebtedness (except that, if such Subsidiary is a CFC, the Equity Interests of such Subsidiary to be pledged may be limited to 65% of the outstanding voting Equity Interests of such Subsidiary and 100% of the non-voting Equity Interests of such Subsidiary and such time period may be extended based on local law or practice), in each case in form, content and scope reasonably satisfactory to the Administrative Agent. In no event shall compliance with this Section 6.12 waive or be deemed a waiver or Consent to any transaction giving rise to the need to comply with this Section 6.12 if such transaction was not otherwise expressly permitted by this Agreement or constitute or be deemed to constitute, with respect to any Subsidiary, an approval of such Person as a Borrower or permit the inclusion of any acquired assets in the computation of the Borrowing

⁴⁹ **First Amendment**

Base. At all times, the Loan Parties shall cause each Subsidiary that is a "Loan Party" (as defined in the Term Documents) to remain a Loan Party under the Loan Documents, except to the extent a release of such Loan Party from its obligations under the Term Documents and the Loan Documents is permitted pursuant to the terms of the Term Documents and the Loan Documents.

6.13 Cash Management.

(a) On or prior to the ~~Closing Date~~-Second Amendment Effective Date (to the extent not delivered to the Administrative Agent prior to such date):

(i) ~~deliver to the Administrative Agent originals of notifications (each, a "DDA Notification") substantially in the form attached hereto as Exhibit H which have been executed on behalf of such Loan Party, which shall be delivered by the Administrative Agent to each depository institution listed on Schedule 5.21(a);~~

(ii) ~~deliver to the Administrative Agent originals of notifications (each, a "Credit Card Notification") substantially in the form attached hereto as Exhibit I which have been executed on behalf of such Loan Party, which shall be delivered by the Administrative Agent to such Loan Party's credit card clearinghouses and processors listed on Schedule 5.21(b); and~~

(i) ~~enter into a Blocked Account Agreement satisfactory in form and substance to the Agents with each Blocked Account Bank (collectively, the "Blocked Accounts").~~

(b) The Loan Parties shall ACH or wire transfer no less frequently than daily (and whether or not there are then any outstanding Obligations) to a Blocked Account all amounts on deposit in each such DDA and all payments due from credit card processors.

(c) Each Blocked Account Agreement shall require upon notice from the Collateral Agent (it being understood that the Collateral Agent shall not deliver any such notice prior to the occurrence of a Cash Dominion Event) the ACH or wire transfer no less frequently than daily (and whether or not there are then any outstanding Obligations) to the concentration account maintained by the Collateral Agent at Wells Fargo (the "Concentration Collection Account"), of all cash receipts and collections, including, without limitation, the following:

(i) all available cash receipts (~~x~~) from the sale of Inventory ~~and, and (y) subject to the Intercreditor Agreement, from the sale of~~ other assets (whether or not constituting Collateral);

(ii) all proceeds of collections of Accounts;

(iii) all Net Cash Proceeds, and all other cash payments received by a Loan Party from any Person or from any source or on account of any sale or other transaction or event, including, without limitation, any Prepayment Event;

(iv) the then current contents of each DDA (net of any minimum balance, not to exceed \$2,500.00, as may be required to be kept in the subject DDA by the depository institution at which such DDA is maintained);

(v) the then current entire ledger balance of each Blocked Account (net of any minimum balance, not to exceed \$2,500.00, as may be required to be kept in the subject Blocked Account by the Blocked Account Bank); and

(vi) the proceeds of all credit card charges.

(d) The ~~Concentration~~Collection Account shall at all times be under the sole dominion and control of the Collateral Agent. The Loan Parties hereby acknowledge and agree that (i) the Loan Parties have no right of withdrawal from the ~~Concentration~~Collection Account, (ii) the funds on deposit in the ~~Concentration~~Collection Account shall at all times be collateral security for all of the Obligations and (iii) the funds on deposit in the ~~Concentration~~Collection Account shall be applied as provided in this Agreement. In the event that, notwithstanding the provisions of this Section 6.13, any Loan Party receives or otherwise has dominion and control of any such proceeds or collections, such proceeds and collections shall be held in trust by such Loan Party for the Administrative Agent, shall not be commingled with any of such Loan Party's other funds or deposited in any account of such Loan Party and shall, not later than the Business Day after receipt thereof, be deposited into the ~~Concentration~~Collection Account or dealt with in such other fashion as such Loan Party may be instructed by the Administrative Agent.

(e) Upon the request of the Administrative Agent, the Loan Parties shall cause bank statements and/or other reports to be delivered to the Administrative Agent not less often than monthly, accurately setting forth all amounts deposited in each Blocked Account to ensure the proper transfer of funds as set forth above.

(f) At the request of the Administrative Agent, the Loan Parties shall deliver to the Administrative Agent copies of notifications (each, a "DDA Notification") substantially in the form attached hereto as Exhibit H which have been executed on behalf of such Loan Party and delivered to each depository institution listed on Schedule 5.21(a).

(g) On or before February 28, 2013 (or such later date as the Administrative Agent may agree in its sole discretion), the Loan Parties shall cause to be maintained, with Wells Fargo or any Affiliate thereof, the Loan Parties' primary Cash Management Services (including, without limitation, the Loan Parties' concentration accounts, master depository accounts and similar accounts (which, for clarity, shall include the Blocked Accounts)) and primary operating accounts, other than such accounts as the Administrative Agent may agree in its sole discretion.

6.14 Information Regarding the Collateral.

(a) Furnish to the Administrative Agent at least thirty (30) days prior written notice of any change in: (i) any Loan Party's name or in any trade name used to identify it in the conduct of its business or in the ownership of its properties; (ii) the location of any Loan Party's chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility); (iii) any Loan Party's organizational structure or jurisdiction of incorporation or formation; or (iv) any Loan Party's Federal Taxpayer Identification Number or organizational identification number assigned to it by its state of organization. The Loan Parties agree not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority (subject to

the Intercreditor Agreement) security interest in all the Collateral for its own benefit and the benefit of the other Credit Parties.

(b) Should any of the information on any of the Schedules hereto become inaccurate or misleading in any material respect as a result of changes after the Closing Date, the Lead Borrower shall advise the Administrative Agent in writing of such revisions or updates as may be necessary or appropriate to update or correct the same. From time to time as may be reasonably requested by the Administrative Agent, the Lead Borrower shall supplement each Schedule hereto, or any representation herein or in any other Loan Document, with respect to any matter arising after the Closing Date that, if existing or occurring on the Closing Date, would have been required to be set forth or described in such Schedule or as an exception to such representation or that is necessary to correct any information in such Schedule or representation which has been rendered inaccurate thereby (and, in the case of any supplements to any Schedule, such Schedule shall be appropriately marked to show the changes made therein). Notwithstanding the foregoing, no supplement or revision to any Schedule or representation shall be deemed the Credit Parties' consent to the matters reflected in such updated Schedules or revised representations nor permit the Loan Parties to undertake any actions otherwise prohibited hereunder or fail to undertake any action required hereunder from the restrictions and requirements in existence prior to the delivery of such updated Schedules or such revision of a representation; nor shall any such supplement or revision to any Schedule or representation be deemed the Credit Parties' waiver of any Default resulting from the matters disclosed therein.

6.15 Physical Inventories.

(a) Cause cycle counts to be conducted consistent with current practices reasonably satisfactory to the Collateral Agent with results to be shared with Collateral Agent and updated in the stock ledger timely. If any Default or Event of Default exists, at the discretion of the Collateral Agent, and at Borrowers' expense, the Borrowers shall conduct a full physical count of Inventory. The Collateral Agent, at the expense of the Loan Parties, may participate in and/or observe each scheduled physical count of Inventory which is undertaken on behalf of any Loan Party. The Lead Borrower, within 15 days following the completion of such inventory, shall provide the Collateral Agent with a reconciliation of the results of such inventory (as well as of any other physical inventory or cycle counts undertaken by a Loan Party) and shall post such results to the Loan Parties' stock ledgers and general ledgers, as applicable.

(b) Permit the Collateral Agent, in its discretion, if any Default or Event of Default exists, to cause additional such inventories to be taken as the Collateral Agent determines (each, at the expense of the Loan Parties).

6.16 Environmental Laws.

(a) Conduct its operations and keep and maintain its Real Estate in material compliance with all Environmental Laws; (b) obtain and renew all environmental permits necessary for its operations and properties; and (c) implement any and all investigation, remediation, removal and response actions that are appropriate or necessary to maintain the value and marketability of the Real Estate or to otherwise comply with Environmental Laws pertaining to the presence, generation, treatment, storage, use, disposal, transportation or release of any Hazardous Materials on, at, in, under, above, to, from or about any of its Real Estate, provided, however, that neither a Loan Party nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and

adequate reserves have been set aside and are being maintained by the Loan Parties with respect to such circumstances in accordance with GAAP.

6.17 Further Assurances.

(a) 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), that may be required under any applicable Law, or which any Agent may request, to effectuate the transactions contemplated by the Loan Documents or to grant, preserve, protect or perfect the Liens created or intended to be created by the Security Documents or the validity or priority of any such Lien, all at the expense of the Loan Parties. The Loan Parties also agree to provide to the Agents, from time to time upon request, evidence satisfactory to the Agents as to the perfection and priority of the Liens created or intended to be created by the Security Documents.

(b) If any material assets are acquired by any Loan Party after the Closing Date (other than assets constituting Collateral under the Security Documents that become subject to the Lien of the Security Documents upon acquisition thereof), notify the Agents thereof, and the Loan Parties will cause such assets to be subjected to a Lien securing the Obligations and will take such actions as shall be necessary or shall be requested by any Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section 6.13, all at the expense of the Loan Parties. In no event shall compliance with this Section 6.13(b) waive or be deemed a waiver or Consent to any transaction giving rise to the need to comply with this Section 6.13(b) if such transaction was not otherwise expressly permitted by this Agreement or constitute or be deemed to constitute Consent to the inclusion of any acquired assets in the computation of the Borrowing Base.

(c) Use, and cause each of the Subsidiaries to use, their commercially reasonable efforts to obtain lease terms in any lease entered into by any Loan Party after the date hereof not expressly prohibiting the recording in the relevant real estate filing office of an appropriate memorandum of lease and the encumbrancing of the leasehold interest of such Loan Party in the property that is the subject of such lease.

(d) (i) Upon the request of the Collateral Agent, cause each of its customs brokers to deliver an agreement to the Collateral Agent covering such matters and in such form as the Collateral Agent may reasonably require, as required to protect Collateral Agent's interest in the Eligible Inventory; and (ii) simultaneously with the delivery to the Term Agent, deliver to the Collateral Agent an agreement covering such matters and in such form as the Collateral Agent may reasonably require with each such customs broker for which such an agreement has been provided to the Term Agent.

(e) (i) Upon the request of the Collateral Agent, request and use reasonable efforts to cause any of its landlords to deliver a Collateral Access Agreement to the Collateral Agent in such form as the Collateral Agent may reasonably require, provided that in all events such Collateral Access Agreement shall be furnished for each of Borrowers' distribution centers; and (ii) simultaneously with the delivery to the Term Agent, deliver to the Collateral Agent a Collateral Access Agreement for any location or Store for which a Collateral Access Agreement has been provided to the Term Agent.

6.18 Compliance with Terms of Leaseholds. Except as otherwise expressly permitted hereunder, make all payments and otherwise perform all obligations in respect of all Leases of real property to which any Loan Party or any of its Subsidiaries is a party, keep such Leases in full force and

effect and not allow such Leases to lapse or be terminated or any rights to renew such leases to be forfeited or cancelled, notify the Administrative Agent of any default by any party with respect to such Leases and cooperate with the Administrative Agent in all respects to cure any such default, and cause each of its Subsidiaries to do so.

6.19 Material Contracts. Perform and observe all the terms and provisions of each Material Contract to be performed or observed by it, maintain each such Material Contract in full force and effect, enforce each such Material Contract in accordance with its terms, take all such action to such end as may be from time to time requested by the Administrative Agent and, upon request of the Administrative Agent, make to each other party to each such Material Contract such demands and requests for information and reports or for action as any Loan Party or any of its Subsidiaries is entitled to make under such Material Contract, and cause each of its Subsidiaries to do so.

6.20 Real Estate. As promptly as practicable, and in any event, not later than 30 days after the date of acquisition (or such later date as the Administrative Agent shall agree) of any fee interest in real property having a value (together with improvements thereof) in excess of \$1,000,000, (i) execute and deliver a Mortgage, in favor of the Collateral Agent, for the benefit of the Secured Parties, covering such real property, (ii) if requested by the Collateral Agent, provide the Credit Parties with (x) title and extended coverage insurance covering such real property in an amount at least equal to the purchase price of such real property (or such other amount as shall be reasonably specified by the Collateral Agent) as well as a current ALTA survey thereof, together with a surveyor's certificate, and (y) any consents or estoppels reasonably deemed necessary or advisable by the Collateral Agent in connection with such Mortgage, each of the foregoing in form and substance reasonably satisfactory to the Administrative Agent, (iii) if reasonably requested by the Administrative Agent, deliver to the Administrative Agent legal opinions relating to the matters described above, which opinions shall be in form and substance, and from counsel, reasonably satisfactory to the Administrative Agent and (iv) if any improvement on such real property is in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance in an amount and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the Flood Insurance Laws and (ii) deliver to the Administrative Agent evidence of such compliance in form and substance reasonably acceptable to the Administrative Agent.

ARTICLE VII NEGATIVE COVENANTS

So long as any Lender shall have any Commitment hereunder, any Loan or other Obligation hereunder shall remain unpaid or unsatisfied, or any Letter of Credit shall remain outstanding, no Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly:

7.01 Liens. Create, incur, assume or suffer to exist any Lien upon any of its property (excluding real property ~~other than the Eligible Real Property~~), assets or revenues, whether now owned

or hereafter acquired or sign or file or suffer to exist under the UCC or any similar Law or statute of any jurisdiction a financing statement that names any Loan Party or any Subsidiary thereof as debtor; sign or suffer to exist any security agreement authorizing any Person thereunder to file such financing statement; sell any of its property or assets subject to an understanding or agreement (contingent or otherwise) to repurchase such property or assets with recourse to it or any of its Subsidiaries; or assign or otherwise transfer any accounts or other rights to receive income, other than, as to all of the above, Permitted Encumbrances.

7.02 Investments. Make any Investments, except Permitted Investments.

7.03 Indebtedness. (a) Create, incur, assume, guarantee, suffer to exist or otherwise become or remain liable with respect to, any Indebtedness, except Permitted Indebtedness, or (b) issue Disqualified Stock.

7.04 Fundamental Changes. Merge, dissolve, liquidate, consolidate with or into another Person, (or agree to do any of the foregoing), except that, so long as no Default or Event of Default shall have occurred and be continuing prior to or immediately after giving effect to any action described below or would result therefrom:

(a) any Subsidiary which is not a Loan Party may merge with (i) a Loan Party, provided that the Loan Party shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries which are not Loan Parties, provided that when any wholly-owned Subsidiary is merging with another Subsidiary, the wholly-owned Subsidiary shall be the continuing or surviving Person;

(b) any Subsidiary which is a Loan Party may merge into any Subsidiary which is a Loan Party or into the Borrower, provided that in any merger involving the Borrower, the Borrower shall be the continuing or surviving Person;

(c) in connection with a Permitted Acquisition, any Subsidiary of a Loan Party may merge with or into or consolidate with any other Person or permit any other Person to merge with or into or consolidate with it; provided that (i) the Person surviving such merger shall be a wholly-owned Subsidiary of a Loan Party and (ii) in the case of any such merger to which any Loan Party is a party, such Loan Party is the surviving Person; and

(d) any CFC that is not a Loan Party may merge into any CFC that is not a Loan Party.

7.05 Dispositions. Make any Disposition or enter into any agreement to make any Disposition, except Permitted Dispositions.

7.06 Restricted Payments. Declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default or Event of Default shall have occurred and be continuing prior to or immediately after giving effect to any action described below or would result therefrom:

(a) each Subsidiary of a Loan Party may make Restricted Payments to any Loan Party other than to the Parent; provided that no Restricted Payments shall be made to the Parent unless reasonably contemporaneously therewith, the Parent makes a Restricted Payment (the "Subsequent Restricted Payment") to its stockholders in like amount and such Subsequent Restricted Payment is expressly permitted by the terms of this Section 7.06;

(b) the Loan Parties and each Subsidiary may declare and make dividend payments or other distributions payable solely in the common stock or other common Equity Interests of such Person; ~~and~~

~~(c) the~~ Loan Parties may issue and sell Equity Interests provided that (i) (A) with respect to any Equity Interests, all dividends in respect of which are to be paid (and all other payments in respect of which are to be made) shall be in additional shares of such Equity Interests, in lieu of cash, (B) such Equity Interests shall not be subject to redemption other than redemption at the option of the Loan Party issuing such Equity Interests, and (C) all payments in respect of such Equity Interests are expressly subordinated to the Obligations, and (ii) no Loan Party shall issue any additional Equity Interests in a Subsidiary;

(d) on or before November 15, 2012, the Parent may declare or pay cash dividends to its stockholders in an aggregate amount not to exceed \$100,000,000, provided that such the payment of such dividend shall be made solely with proceeds of the Term Loan and the Loan Parties' cash on hand prior to the Second Amendment Effective Date, and not, for the avoidance of doubt, with the proceeds of any Credit Extensions; and

(e) if the Payments Conditions are satisfied, the Parent may declare or pay cash dividends to its stockholders.

7.07 Prepayments of Indebtedness. Prepay, redeem, purchase, defease or otherwise satisfy prior to the scheduled maturity thereof in any manner any Indebtedness, or make any payment in violation of any subordination terms of any Subordinated Debt, except (a) as long as no Event of Default then exists or would result therefrom, regularly scheduled or mandatory repayments, repurchases, redemptions or defeasances of Permitted Indebtedness (other than Subordinated Debt), ~~(b and other than the Term Loan Obligations), (b) regularly scheduled payments of principal (including regularly scheduled redemptions in respect of amortization payments thereon), Mandatory Term Loan Prepayments and interest owing under the Term Documents (as in effect on the Second Amendment Effective Date), (c) certain intercompany loans and advances between Borrowers and Guarantor to the extent mutually agreed by the Lead Borrower and the Administrative Agent, including without limitation advances made to the Guarantor for payment of Taxes, (ed) voluntary prepayments, repurchases, redemptions or defeasances of Permitted Indebtedness (but excluding on account of any Subordinated Debt), (d) payments with respect to the Trade Credit, (e) the reimbursement of expenses of SEP SWH Holdings, L.P. and its Affiliates pursuant to the Management Reimbursement Agreements)~~ so long as the Payment Conditions shall have been satisfied, voluntary prepayments of principal with respect to

the Term Loan Obligations, (f) so long as the Payment Conditions shall have been satisfied, payments and prepayments of interest and principal with respect to Subordinated Debt, and (g) refinancings and refundings of such Indebtedness in compliance with Section 7.03.²⁹

7.08 Change in Nature of Business

(a) In the case of the Parent, engage in any business or activity other than (i) the direct or indirect ownership of all outstanding Equity Interests in the other Loan Parties, (ii) maintaining its corporate existence, (iii) participating in tax, accounting and other administrative activities as the parent of the consolidated group of companies, including the Loan Parties, (iv) the execution and delivery of the Loan Documents to which it is a party and the performance of its obligations thereunder, and its guarantee of the Lead Borrower's indebtedness under the Term Credit Agreement, pursuant to the Term Documents, and (v) activities incidental to the businesses or activities described in clauses (a) through (iv) of this Section 7.08(a).

(b) In the case of each of the Loan Parties, engage in any line of business substantially different from the business conducted by the Loan Parties and their Subsidiaries on the date hereof or any business substantially related or incidental thereto; provided, however, retail sales through e-commerce / internet shall not be construed as a substantially different line of business.

7.09 Transactions with Affiliates. Enter into, renew, extend or be a party to any transaction of any kind with any Affiliate of any Loan Party, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Loan Parties or such Subsidiary as would be obtainable by the Loan Parties or such Subsidiary at the time in a comparable arm's length transaction with a Person other than an Affiliate, provided that the foregoing restriction shall not apply to a transaction between or among the Loan Parties.

7.10 Burdensome Agreements. Enter into or permit to exist any Contractual Obligation (other than this Agreement or any other Loan Document) that (a) limits the ability (i) of any Subsidiary to make Restricted Payments or other distributions to any Loan Party or to otherwise transfer property to or invest in a Loan Party, (ii) of any Subsidiary to Guarantee the Obligations, (iii) of any Subsidiary to make or repay loans to a Loan Party, or (iv) of the Loan Parties or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person in favor of the Collateral Agent; provided, however, that this clause (iv) shall not prohibit any negative pledge incurred or provided in favor of any holder of Indebtedness permitted under clauses (c) or (f) of the definition of Permitted Indebtedness solely to the extent any such negative pledge relates to the property financed by or the subject of such Indebtedness; or (b) requires the grant of a Lien to secure an obligation of such Person if a Lien is granted to secure another obligation of such Person.

²⁹ First Amendment

7.11 Use of Proceeds. Use the proceeds of any Credit Extension, whether directly or indirectly, and whether immediately, incidentally or ultimately, (a) to purchase or carry margin stock (within the meaning of Regulation U of the FRB) or to extend credit to others for the purpose of purchasing or carrying margin stock or to refund Indebtedness originally incurred for such purpose; or (b) for purposes other than those permitted under this Agreement.

7.12 Amendment of Material Documents: ~~(a) Amend, modify or waive (i) any term, provision or condition of any Loan Party's rights under (a) its Organization Documents in a manner materially adverse to the Credit Parties, or (b) other than with respect to the Term Documents or the Term Obligations (as to which clause (c) below shall apply), amend, modify or waive any term, provision or condition under any Material Contract or Material Indebtedness (other than on account of any refinancing thereof otherwise permitted hereunder Permitted Refinancing Indebtedness in respect thereof), in each case of clauses (a) and (b) to the extent that such amendment, modification or waiver would be reasonably likely to have a Material Adverse Effect, or (ii) any provision (c) amend, modify or waive any term, provision or condition of any Term Document or agreement in respect of any refinancing of any Indebtedness under any Term Document, to the extent that such amendment, modification or waiver would (i) shorten the maturity date of the Term Obligations or such refinancing Indebtedness to a date which is prior to ninety-one (91) days after the Maturity Date, (ii) shorten the date scheduled for any principal payment or increase the amount of any required scheduled principal payment, or (iii) not be permitted under the Intercreditor Agreement absent the consent of the Administrative Agent; or (d) amend, modify or waive any term, provision or condition of the Employee Stock Plan without the written consent of the Administrative Agent, provided that the foregoing shall not be deemed to restrict the ability of the Board (as defined in the Employee Stock Plan) to determine additional Eligible Persons (as defined in the Employee Stock Plan) in accordance with the terms of the Employee Stock Plan.~~²⁴

7.13 Fiscal Year.

Change the Fiscal Year of any Loan Party, or the accounting policies or reporting practices of the Loan Parties, except as required by GAAP.

7.14 Deposit Accounts; Credit Card Processors; Term Loan Priority Account.

(a) Open new DDAs or Blocked Accounts unless the Loan Parties shall have delivered to the Administrative Agent appropriate DDA Notifications or Blocked Account Agreements consistent with the provisions of Section 6.13 and otherwise satisfactory to the Administrative Agent. ~~No Loan Party shall maintain any bank accounts or enter into any agreements with credit card processors other than the ones expressly contemplated herein or in Section 6.13 hereof.~~

²⁴ First Amendment

(b) No Loan Party shall deposit, or cause to be deposited, any funds into the Term Loan Priority Account other than proceeds of the Term Priority Collateral.

(c) No Loan Party shall maintain any bank accounts or enter into any agreements with credit card processors other than the ones expressly contemplated herein or in Section 6.13 hereof.

7.15 ~~Excess-Availability.~~

Permit ~~Excess-Availability~~ at any time to be less than the greater of (i) ten percent (10%) of the Loan Cap, or permit Availability at any time to be less than (ii) Five Million Five Hundred Thousand Dollars (\$5,500,000); ~~225,000,000~~.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

8.01 Events of Default. Any of the following shall constitute an Event of Default:

(a) Non-Payment. The Borrowers or any other Loan Party fails to pay when and as required to be paid herein, (i) any amount of principal of any Loan or any L/C Obligation, or deposit any funds as Cash Collateral in respect of L/C Obligations, or (ii) any interest on any Loan or on any L/C Obligation, or any fee due hereunder, or (iii) any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. (i) Any Loan Party fails to perform or observe any term, covenant or agreement contained in any of Section 6.01, 6.02, 6.03, 6.05, 6.07, 6.10, 6.11, 6.12, 6.13, or 6.14 or Article VII; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 15 days; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of any Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith (including, without limitation, any Borrowing Base Certificate) shall be incorrect or misleading in any material respect when made or deemed made (or, with respect to any representation, warranty, certification, or statement of fact qualified by materiality, incorrect or misleading in any respect); or

(e) Cross-Default. (i) Any Loan Party or any Subsidiary thereof (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Indebtedness (including undrawn committed

or available amounts and including amounts owing to all creditors under any combined or syndicated credit arrangement), or (B) fails to observe or perform any other agreement or condition relating to any such Material Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders of such Material Indebtedness or the beneficiary or beneficiaries of any Guarantee thereof (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to be demanded or 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, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which a Loan Party or any Subsidiary thereof is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which a Loan Party or any Subsidiary thereof is an Affected Party (as so defined) and, in either event, the Swap Termination Value owed by the Loan Party or such Subsidiary as a result thereof is greater than \$1,000,000; or

(f) Insolvency Proceedings, Etc. Any Loan Party or any of its Subsidiaries institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or a proceeding shall be commenced or a petition filed, without the application or consent of such Person, seeking or requesting the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed and the appointment continues undischarged, undismissed or unstayed for 30 calendar days or an order or decree approving or ordering any of the foregoing shall be entered; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismissed or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) Any Loan Party or any Subsidiary thereof becomes unable or admits in writing its inability or fails generally to pay its debts as they become due in the ordinary course of business, or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, vacated or fully bonded within 10 days after its issuance or levy; or

(h) Judgments. Other than with respect to any judgment which may arise in connection with the litigation relating to the Billings Lease, as described in item 13 of Schedule 5.06, there is entered against any Loan Party or any Subsidiary thereof (i) one or more judgments or orders for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding \$1,000,000 (to the extent not covered by independent third-party insurance as to which the insurer is rated at least "A" by A.M. Best Company, has been notified of the potential claim and does not dispute coverage), or (ii) any one or more non-monetary judgments that have, or could reasonably be expected to have, individually or in

the aggregate, a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 10 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in material liability of any Loan Party under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC or which would reasonably likely result in a Material Adverse Effect, or (ii) a Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan or which would reasonably likely result in a Material Adverse Effect; or

(j) Invalidity of Loan Documents. (i) Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any provision of any Loan Document, or purports to revoke, terminate or rescind any provision of any Loan Document or seeks to avoid, limit or otherwise adversely affect any Lien purported to be created under any Security Document; or (ii) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party or any other Person not to be, a valid and perfected Lien on any Collateral, with the priority required by the applicable Security Document and which is not replaced with a substantially similar Lien on such Collateral; or

(k) Change of Control. There occurs any Change of Control; or

(l) Cessation of Business. Except as otherwise expressly permitted hereunder, any Loan Party shall take any action to suspend the operation of its business in the ordinary course, liquidate all or a material portion of its assets or Store locations, or employ an agent or other third party to conduct a program of closings, liquidations or "Going-Out-Of-Business" sales of any material portion of its business; or

(m) Loss of Collateral. There occurs any uninsured loss to any material portion of the Collateral; or

(n) Breach of Contractual Obligation. Any Loan Party or any Subsidiary thereof fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Material Contract or fails to observe or perform any other agreement or condition relating to any such Material Contract or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the counterparty to such Material Contract to terminate such Material Contract; or

(o) Indictment. The indictment or institution of any legal process or proceeding against, any Loan Party or any Subsidiary thereof, under any federal, state, municipal, and other

criminal statute, rule, regulation, order, or other requirement having the force of law for a felony; or

(p) Guaranty. The termination or attempted termination of any Facility Guaranty except as expressly permitted hereunder or under any other Loan Document; or

(q) Subordination; Intercreditor. (i) The subordination provisions of the documents evidencing or governing any Subordinated ~~Debt~~Indebtedness (the "Subordinated Subordination Provisions") shall, in whole or in part, terminate, cease to be effective or cease to be legally valid, binding and enforceable against any holder of the applicable Subordinated ~~Debt~~Indebtedness; or (ii) any Borrower or any other Loan Party shall, directly or indirectly, (A) make any payment on account of any Subordinated Indebtedness that has been contractually subordinated in right of payment to the payment of the Obligations, except to the extent that such payment is permitted by the terms of the Subordination Provisions applicable to such Subordinated Indebtedness or (B) disavow or contest in any manner (Ax) the effectiveness, validity or enforceability of any of the Subordination Provisions, (B) or the Intercreditor Provisions, (y) that the Subordination Provisions and the Intercreditor Provisions (as defined below) exist for the benefit of the Credit Parties, or (Cz) that all payments of principal of or premium and interest on the applicable Subordinated Debt Indebtedness, or realized from the liquidation of any property of any Loan Party, shall be subject to any of the Subordination Provisions or the Intercreditor Provisions, as applicable; or (iii) the Intercreditor Agreement or any provision thereof (the "Intercreditor Provisions") shall, in whole or in part, terminate or otherwise fail or cease to be valid and binding on, or enforceable against, any Loan Party, the Term Agent or any holder of the Term Obligations (or any Loan Party, the Term Agent or any such holder shall so state in writing); or (iv) any provision of the Intercreditor Agreement shall, at any time after the delivery of such Intercreditor Agreement, fail to be valid and binding, or enforceable.

8.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Administrative Agent may, or, at the request of the Required Lenders shall, take any or all of the following actions:

(a) declare the Commitments of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions to be terminated, whereupon such Commitments and obligation shall be terminated;

(b) declare the unpaid principal amount of all outstanding Loans, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Loan Parties;

(c) require that the Loan Parties Cash Collateralize the L/C Obligations; and

(d) whether or not the maturity of the Obligations shall have been accelerated pursuant hereto, proceed to protect, enforce and exercise all rights and remedies of the Credit Parties under this Agreement, any of the other Loan Documents or applicable Law, including, but not limited to, by suit in equity, action at law or other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Agreement and the

other Loan Documents or any instrument pursuant to which the Obligations are evidenced, and, if such amount shall have become due, by declaration or otherwise, proceed to enforce the payment thereof or any other legal or equitable right of the Credit Parties;

provided, however, that upon the entry of an order for relief with respect to any Loan Party or any Subsidiary thereof under any Debtor Relief Laws, the obligation of each Lender to make Loans and any obligation of the L/C Issuer to make L/C Credit Extensions shall automatically terminate, the unpaid principal amount of all outstanding Loans and all interest and other amounts as aforesaid shall automatically become due and payable, and the obligation of the Loan Parties to Cash Collateralize the L/C Obligations as aforesaid shall automatically become effective, in each case without further act of the Administrative Agent or any Lender.

No remedy herein is intended to be exclusive of any other remedy and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or any other provision of Law.

8.03 Application of Funds. After the exercise of remedies provided for in Section 8.02 (or after the Loans have automatically become immediately due and payable and the L/C Obligations have automatically been required to be Cash Collateralized as set forth in the proviso to Section 8.02), any amounts received on account of the Obligations shall be applied by the Administrative Agent in the following order:

First, to payment of that portion of the Obligations (excluding the Other Liabilities) constituting fees, indemnities, Credit Party Expenses and other amounts (including fees, charges and disbursements of counsel to the Administrative Agent and the Collateral Agent and amounts payable under Article III) payable to the Administrative Agent and the Collateral Agent, each in its capacity as such;

Second, to payment of that portion of the Obligations (excluding the Other Liabilities) constituting indemnities, Credit Party Expenses, and other amounts (other than principal, interest and fees) payable to the Lenders and the L/C Issuer (including fees, charges and disbursements of counsel to the respective Lenders and the L/C Issuer and amounts payable under Article III), ratably among them in proportion to the amounts described in this clause Second payable to them;

Third, to the extent not previously reimbursed by the Lenders, to payment to the Lenders of that portion of the Obligations constituting principal and accrued and unpaid interest on any Permitted Overadvances, ratably among the Lenders in proportion to the amounts described in this clause Third payable to them;

Fourth, to the extent that Swing Line Loans have not been refinanced by a Committed Loan, payment to the Swing Line Lender of that portion of the Obligations constituting accrued and unpaid interest on the Swing Line Loans;

Fifth, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans ~~L/C Borrowings~~ and other Obligations, and fees (including Letter of Credit Fees but excluding any Early Termination Fees), ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Fifth payable to them;

Sixth, to the extent that Swing Line Loans have not been refinanced by a Committed Loan, to payment to the Swing Line Lender of that portion of the Obligations constituting unpaid principal of the Swing Line Loans;

Seventh, to payment of that portion of the Obligations constituting unpaid principal of the Loans and ~~L/C Borrowings~~, ratably among the Lenders and the L/C Issuer in proportion to the respective amounts described in this clause Seventh held by them;

Eighth, to the Administrative Agent for the account of the L/C Issuer, to Cash Collateralize that portion of L/C Obligations comprised of the aggregate undrawn amount of Letters of Credit;

Ninth, to payment of all other Obligations (including without limitation the cash collateralization of unliquidated indemnification obligations as provided in Section 10.04(g), but excluding any Other Liabilities), ratably among the Credit Parties in proportion to the respective amounts described in this clause Ninth held by them

Tenth, to payment of that portion of the Obligations arising from Cash Management Services to the extent secured under the Security Documents, ratably among the Credit Parties in proportion to the respective amounts described in this clause Tenth held by them;

Eleventh, to payment of all other Obligations arising from Bank Products to the extent secured under the Security Documents, ratably among the Credit Parties in proportion to the respective amounts described in this clause Eleventh held by them; and

Last, the balance, if any, after all of the Obligations have been indefeasibly paid in full, to the Loan Parties or as otherwise required by Law.

~~Subject to Section 2.03(c), amounts~~ Amounts used to Cash Collateralize the aggregate undrawn amount of Letters of Credit pursuant to clause Seventh above shall be applied to satisfy drawings under such Letters of Credit as they occur. If any amount remains on deposit as Cash Collateral after all Letters of Credit have either been fully drawn or expired, such remaining amount shall be applied to the other Obligations, if any, in the order set forth above.

ARTICLE IX ADMINISTRATIVE AGENT

9.01 Appointment and Authority.

(a) Each of the Lenders and the Swing Line Lender hereby irrevocably appoints Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC) to act on its behalf as the Administrative Agent hereunder and under the other Loan Documents and

authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuer, and no Loan Party or any Subsidiary thereof shall have rights as a third party beneficiary of any of such provisions.

(b) Each of the Lenders (in its capacities as a Lender) and the Swing Line Lender hereby irrevocably appoints Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC) as Collateral Agent and authorizes the Collateral Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent, as "collateral agent" and any co-agents, sub-agents and attorneys-in-fact appointed by the Collateral Agent pursuant to Section 9.05 for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Collateral Documents, or for exercising any rights and remedies thereunder at the direction of the Collateral Agent), shall be entitled to the benefits of all provisions of this Article IX and Article X (including Section 10.04(c)), as though such co-agents, sub-agents and attorneys-in-fact were the "collateral agent" under the Loan Documents, as if set forth in full herein with respect thereto.

9.02 Rights as a Lender. The Persons serving as the Agents hereunder shall have the same rights and powers in their capacity as a Lender as any other Lender and may exercise the same as though they were not the Administrative Agent or the Collateral Agent and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent or the Collateral Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, act as the financial advisor or in any other advisory capacity for and generally engage in any kind of business with the Loan Parties or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent or the Collateral Agent hereunder and without any duty to account therefor to the Lenders.

9.03 Exculpatory Provisions. The Agents shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agents:

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

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent or the Collateral Agent, as applicable, is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents), provided that no Agent shall be required to take any action that, in its respective opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law; and

(c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information

relating to the Loan Parties or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent, the Collateral Agent or any of its Affiliates in any capacity.

No Agent shall be liable for any action taken or not taken by it (i) with the Consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as such Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 10.01 and 8.02) or (ii) in the absence of its own gross negligence or willful misconduct as determined by a final and non-appealable judgment of a court of competent jurisdiction.

The Agents shall not be deemed to have knowledge of any Default unless and until notice describing such Default is given to such Agent by the Loan Parties, a Lender or the L/C Issuer. Upon the occurrence of an Event of Default, the Agents shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Applicable Lenders. Unless and until the Agents shall have received such direction, the Agents may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to any such Default or Event of Default as it shall deem advisable in the best interest of the Credit Parties. In no event shall the Agents be required to comply with any such directions to the extent that any Agent believes that its compliance with such directions would be unlawful.

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

9.04 Reliance by Agents.

Each Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including, but not limited to, any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. Each Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the L/C Issuer, the Administrative Agent may presume that such condition is satisfactory to such Lender or the L/C Issuer unless the Administrative Agent shall have received written notice to the contrary from such Lender or the L/C Issuer prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may

consult with legal counsel (who may be counsel for any Loan Party), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

9.05 Delegation of Duties. Each Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by such Agent. Each Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agents and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as such Agent.

9.06 Resignation of Agents. Either Agent may at any time give written notice of its resignation to the Lenders and the Lead Borrower. Upon receipt of any such notice of resignation, the Required Lenders shall have the right, in consultation with the Lead Borrower, 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, then the retiring Agent may on behalf of the Lenders and the L/C Issuer, appoint a successor Administrative Agent or Collateral Agent, as applicable, meeting the qualifications set forth above; provided that if the Administrative Agent or the Collateral Agent shall notify the Lead Borrower and the Lenders that no qualifying Person has accepted such appointment, then such resignation shall nonetheless become effective in accordance with such notice and (1) the retiring Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any Collateral held by the Collateral Agent on behalf of the Lenders or the L/C Issuer under any of the Loan Documents, the retiring Collateral Agent shall continue to hold such collateral security 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 Administrative Agent shall instead be made by or to each Lender and the L/C Issuer directly, until such time as the Required Lenders appoint a successor Administrative Agent as provided for above in this Section. Upon the acceptance of a successor's appointment as Administrative Agent or Collateral Agent, as applicable, hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring (or retired) Agent, and the retiring Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents (if not already discharged therefrom as provided above in this Section). The fees payable by the Borrowers to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Lead Borrower and such successor. After the retiring Agent's resignation hereunder and under the other Loan Documents, the provisions of this Article and Section 10.04 shall continue in effect for the benefit of such retiring 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 Agent was acting as Administrative Agent or Collateral Agent hereunder.

Any resignation by Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC) as Administrative Agent pursuant to this Section shall also constitute its resignation as Swing Line Lender and the resignation of Wells Fargo as L/C Issuer. Upon the acceptance of a successor's appointment as Administrative Agent hereunder, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer and Swing Line Lender, (b) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents, and (c) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the retiring L/C Issuer to effectively assume the obligations of the retiring L/C Issuer with respect to such Letters of Credit.

9.07 Non-Reliance on Administrative Agent and Other Lenders. Each Lender and the L/C Issuer acknowledges that it has, independently and without reliance upon the Agents or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender and the L/C Issuer also acknowledges that it will, independently and without reliance upon the Agents or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. Except as provided in Section 9.12, the Agents shall not have any duty or responsibility to provide any Credit Party with any other credit or other information concerning the affairs, financial condition or business of any Loan Party that may come into the possession of the Agents.

9.08 Intentionally Omitted.

9.09 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or L/C Obligation shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Loan Parties) shall be entitled and empowered, by intervention in such proceeding or otherwise

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans, L/C Obligations and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders, the L/C Issuer, the Administrative Agent and the other Credit Parties (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders, the L/C Issuer, the Administrative Agent, such Credit Parties and their respective agents and counsel and all other amounts due the Lenders, the L/C Issuer the Administrative Agent and such Credit Parties under Sections 2.03~~(h)~~ and 2.03~~(m)~~) as applicable, 2.09 and 10.04) allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and the L/C Issuer to make such payments to the Administrative Agent and, if the Administrative Agent shall consent to the making of such payments directly to the Lenders and the L/C Issuer, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 2.09 and 10.04.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or the L/C Issuer any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or the L/C Issuer or to authorize the Administrative Agent to vote in respect of the claim of any Lender or the L/C Issuer in any such proceeding.

9.10 Collateral and Guaranty Matters. The Credit Parties irrevocably authorize the Agents, at their option and in their discretion,

(a) to release any Lien on any property granted to or held by the Collateral Agent under any Loan Document (i) upon termination of the Aggregate Commitments and payment in full of all Obligations (other than contingent indemnification obligations for which no claim has been asserted) and the expiration or termination of all Letters of Credit, (ii) that is sold or to be sold as part of or in connection with any sale permitted hereunder or under any other Loan Document, or (iii) if approved, authorized or ratified in writing by the Applicable Lenders in accordance with Section 10.01;

(b) to subordinate any Lien on any property granted to or held by the Collateral Agent under any Loan Document to the holder of any Lien on such property that is permitted by clause (h) of the definition of Permitted Encumbrances; and

(c) to release any Guarantor from its obligations under the Facility Guaranty if such Person ceases to be a Subsidiary as a result of a transaction permitted hereunder; provided that if such Person is an obligor with respect to the Term Loans, the Agents shall not release any such Person from its obligations under the Facility Guaranty.

Upon request by any Agent at any time, the Applicable Lenders will confirm in writing such Agent's authority to release or subordinate its interest in particular types or items of property, or to release any Guarantor from its obligations under the Facility Guaranty pursuant to this Section 9.10. In each case as specified in this Section 9.10, the Agents will, at the Loan Parties' expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under the Security Documents or to subordinate its interest in such item, or to release such Guarantor from its obligations under the Facility Guaranty, in each case in accordance with the terms of the Loan Documents and this Section 9.10.

9.11 Notice of Transfer.

The Agents may deem and treat a Lender party to this Agreement as the owner of such Lender's portion of the Obligations for all purposes, unless and until, and except to the extent, an Assignment and Acceptance shall have become effective as set forth in Section 10.06.

9.12 Reports and Financial Statements.

By signing this Agreement, each Lender:

(a) agrees to furnish the Administrative Agent (and thereafter at such frequency as the Administrative Agent may reasonably request) with a summary of all Other Liabilities due or to become due to such Lender. In connection with any distributions to be made hereunder, the Administrative Agent shall be entitled to assume that no amounts are due to any Lender on account of Other Liabilities unless the Administrative Agent has received written notice thereof from such Lender;

(b) is deemed to have requested that the Administrative Agent furnish such Lender, promptly after they become available, copies of all Borrowing Base Certificates and financial statements required to be delivered by the Lead Borrower hereunder and all commercial finance examinations and appraisals of the Collateral received by the Agents (collectively, the "Reports");

(c) expressly agrees and acknowledges that the Administrative Agent makes no representation or warranty as to the accuracy of the Reports, and shall not be liable for any information contained in any Report;

(d) expressly agrees and acknowledges that the Reports are not comprehensive audits or examinations, that the Agents or any other party performing any audit or examination will inspect only specific information regarding the Loan Parties and will rely significantly upon the Loan Parties' books and records, as well as on representations of the Loan Parties' personnel;

(e) agrees to keep all Reports confidential in accordance with the provisions of Section 10.07 hereof; and

(f) without limiting the generality of any other indemnification provision contained in this Agreement, agrees: (i) to hold the Agents and any such other Lender preparing a Report harmless from any action the indemnifying Lender may take or conclusion the indemnifying Lender may reach or draw from any Report in connection with any Credit Extensions that the indemnifying Lender has made or may make to the Borrowers, or the indemnifying Lender's participation in, or the indemnifying Lender's purchase of, a Loan or Loans; and (ii) to pay and protect, and indemnify, defend, and hold the Agents and any such other Lender preparing a Report harmless from and against, the claims, actions, proceedings, damages, costs, expenses, and other amounts (including attorney costs) incurred by the Agents and any such other Lender preparing a Report as the direct or indirect result of any third parties who might obtain all or part of any Report through the indemnifying Lender.

9.13 Agency for Perfection.

Each Lender hereby appoints each other Lender as agent for the purpose of perfecting Liens for the benefit of the Agents and the Lenders, in assets which, in accordance with Article 9 of the UCC or any other applicable Law of the United States can be perfected only by possession. Should any Lender (other than the Agents) obtain possession of any such Collateral, such Lender shall notify the Agents thereof, and, promptly upon the Collateral Agent's request therefor shall deliver such Collateral to the Collateral Agent or otherwise deal with such Collateral in accordance with the Collateral Agent's instructions.

9.14 Indemnification of Agents. The Lenders hereby agree to indemnify the Agents, the L/C Issuer and any Related Party, as the case may be (to the extent not reimbursed by the Loan Parties and without limiting the obligations of Loan Parties hereunder), ratably according to their Applicable Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against any Agent, the L/C Issuer and their Related Parties in any way relating to or arising out of this Agreement or any other Loan Document or any action taken or omitted to be taken by any Agent, the L/C Issuer and their Related Parties in connection therewith; provided, that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from ~~such any~~ Agent's, the L/C Issuer's and their Related Parties' gross negligence or willful misconduct as determined by a final and nonappealable judgment of a court of competent jurisdiction.

9.15 Relation among Lenders. The Lenders are not partners or co-venturers, and no Lender shall be liable for the acts or omissions of, or (except as otherwise set forth herein in case of the Agents) authorized to act for, any other Lender.

9.16 Defaulting Lender.

~~(a) If for any reason any Lender shall fail or refuse to abide by its obligations under this Agreement, including without limitation its obligation to make available to Administrative Agent its of any Loans, expenses or setoff or purchase its Applicable Percentage of a participation interest in the Swingline Loans or L/C Borrowings and such failure is not cured within one (1) Business Day after receipt from the Administrative Agent of written notice thereof, then, in addition to the rights and remedies that may be available to the other Credit Parties, the Loan Parties or any other party at law or in equity, and not at limitation thereof, (i) such Defaulting Lender's right to participate in the administration of, or decision making rights related to, the Obligations, this Agreement or the other Loan Documents shall be suspended during the pendency of such failure or refusal, and (ii) a Defaulting Lender shall be deemed to have assigned any and all payments due to it from the Loan Parties, whether on account of outstanding Loans, interest, fees or otherwise, to the remaining non-Defaulting Lenders for application to, and reduction of, their proportionate shares of all outstanding Obligations until, as a result of application of such assigned payments the Lenders' respective Applicable Percentages of all outstanding Obligations shall have returned to those in effect immediately prior to such delinquency and without giving effect to the nonpayment causing such delinquency, and (iii) at the option of the Administrative Agent, any amount payable to such Defaulting Lender hereunder (whether on account of principal, interest, fees or otherwise) shall, in lieu of being distributed to such Defaulting Lender, be retained by the Administrative Agent as cash collateral for~~

future funding obligations of the Defaulting Lender in respect of any Loan or existing or future participating interest in any Swing Line Loan or Letter of Credit. The Defaulting Lender's decision making and participation rights and rights to payments as set forth in clauses (i) and (ii) hereinabove shall be restored only upon the payment by the Defaulting Lender of its Applicable Percentage of any Obligations, any participation obligation, or expenses as to which it is delinquent, together with interest thereon at the rate set forth in Section 2.13(c) hereof from the date when originally due until the date upon which any such amounts are actually paid. Notwithstanding the provisions of Section 2.14 hereof, the Administrative Agent shall not be obligated to transfer to a Defaulting Lender any payments made by the Borrowers to the Administrative Agent for the Defaulting Lender's benefit or any proceeds of Collateral that would otherwise be remitted hereunder to the Defaulting Lender, and, in the absence of such transfer to the Defaulting Lender, the Administrative Agent shall transfer any such payments (i) first, to the Swing Line Lender to the extent of any Swing Line Loans that were made by the Swing Line Lender and that were required to be, but were not, paid by the Defaulting Lender, (ii) second, to the L/C Issuer, to the extent of the portion of a Letter of Credit Disbursement that was required to be, but was not, paid by the Defaulting Lender, (iii) third, to each Non-Defaulting Lender ratably in accordance with their Commitments (but, in each case, only to the extent that such Defaulting Lender's portion of a Loan (or other funding obligation) was funded by such other Non-Defaulting Lender), (iv) to the Cash Collateral Account, the proceeds of which shall be retained by the Administrative Agent and may be made available to be re-advanced to or for the benefit of the Borrowers (upon the request of the Lead Borrower and subject to the conditions set forth in Section 4.02) as if such Defaulting Lender had made its portion of the Loans (or other funding obligations) hereunder, and (v) from and after the date on which all other Obligations have been paid in full, to such Defaulting Lender. Subject to the foregoing, the Administrative Agent may hold and, in its discretion, re-lend to the Borrowers for the account of such Defaulting Lender the amount of all such payments received and retained by the Administrative Agent for the account of such Defaulting Lender. Solely for the purposes of voting or consenting to matters with respect to the Loan Documents (including the calculation of Applicable Percentages in connection therewith) and for the purpose of calculating the fee payable under Section 2.09(a), such Defaulting Lender shall be deemed not to be a "Lender" and such Lender's Commitment shall be deemed to be zero; provided, that the foregoing shall not apply to any of the matters governed by Section 10.01(a) through (c). The provisions of this Section 9.16 shall remain effective with respect to such Defaulting Lender until the earlier of (v) the date on which all of the Non-Defaulting Lenders, the Administrative Agent, the L/C Issuer, and the Borrowers shall have waived, in writing, the application of this Section 9.16 to such Defaulting Lender, or (z) the date on which such Defaulting Lender pays to the Administrative Agent all amounts owing by such Defaulting Lender in respect of the amounts that it was obligated to fund hereunder, and, if requested by the Administrative Agent, provides adequate assurance of its ability to perform its future obligations hereunder (on which earlier date, so long as no Event of Default has occurred and is continuing, any remaining cash collateral held by the Administrative Agent pursuant to Section 9.16(b) shall be released to the Borrowers). The operation of this Section 9.16 shall not be construed to increase or otherwise affect the Commitment of any Lender, to relieve or excuse the performance by such Defaulting Lender or any other Lender of its duties and obligations hereunder, or to relieve or excuse the performance by any Borrower of its duties and obligations hereunder to the Administrative Agent, the L/C Issuer, the Swing Line Lender, or to the Lenders other than such Defaulting Lender. Any failure by a Defaulting Lender to fund amounts that it was obligated to fund hereunder shall constitute a material breach by such Defaulting Lender of this Agreement and shall entitle the Borrowers, at their option, upon written notice to the Administrative Agent, to arrange for a substitute Lender to assume the Commitment of such Defaulting Lender, such substitute Lender to be reasonably acceptable to the Administrative Agent. In connection with the arrangement of such a substitute Lender, the Defaulting Lender shall have no

right to refuse to be replaced hereunder, and agrees to execute and deliver a completed form of Assignment and Assumption in favor of the substitute Lender (and agrees that it shall be deemed to have executed and delivered such document if it fails to do so) subject only to being paid its share of the outstanding Obligations (other than any Other Liabilities, but including (1) all interest, fees, and other amounts that may be due and payable in respect thereof, and (2) an assumption of its Applicable Percentage of its participation in the Letters of Credit); provided, that any such assumption of the Commitment of such Defaulting Lender shall not be deemed to constitute a waiver of any of the Credit Parties' or the Loan Parties' rights or remedies against any such Defaulting Lender arising out of or in relation to such failure to fund. In the event of a direct conflict between the priority provisions of this Section 9.16 and any other provision contained in this Agreement or any other Loan Document, it is the intention of the parties hereto that such provisions be read together and construed, to the fullest extent possible, to be in concert with each other. In the event of any actual, irreconcilable conflict that cannot be resolved as aforesaid, the terms and provisions of this Section 9.16 shall control and govern.

(b) The non-Defaulting Lenders shall also have the right, but not the obligation, in their respective, sole and absolute discretion, to cause the termination and assignment, without any further action by the Defaulting Lender for no cash consideration (pro rata, based on the respective Commitments of those Lenders electing to exercise such right), of the Defaulting Lender's Commitment to fund future Loans. Upon any such purchase of the Applicable Percentage of any Defaulting Lender, the Defaulting Lender's share in future Credit Extensions and its rights under the Loan Documents with respect thereto shall terminate on the date of purchase, and the Defaulting Lender shall promptly execute all documents reasonably requested to surrender and transfer such interest, including, if so requested, an Assignment and Acceptance. If any Swing Line Loan or Letter of Credit is outstanding at the time that a Lender becomes a Defaulting Lender then:

(c) Each Defaulting Lender shall indemnify the Administrative Agent and each non-Defaulting Lender from and against any and all loss, damage or expenses, including but not limited to reasonable attorneys' fees and funds advanced by the Administrative Agent or by any non-Defaulting Lender, on account of a Defaulting Lender's failure to timely fund its Applicable Percentage of a Loan or to otherwise perform its obligations under the Loan Documents.

9.17 Intentionally Omitted.

(ii) such Defaulting Lender's participation interest in any Swing Line Loan or Letter of Credit shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Applicable Percentages but only to the extent (x) the Outstanding Amount sum of all Non-Defaulting Lenders' Credit Extensions after giving effect to such reallocation does not exceed the total of all Non-Defaulting Lenders' Commitments and (y) the conditions set forth in Section 4.02 are satisfied at such time;

(iii) if the reallocation described in clause (b)(i) above cannot, or can only partially, be effected, the Borrowers shall within one Business Day following notice by the Administrative Agent (x) first, prepay such Defaulting Lender's participation in any outstanding Swing Line Loans (after giving effect to any partial reallocation pursuant to clause (b)(i) above) and (y) second, cash collateralize such Defaulting Lender's participation in Letters of Credit (after giving effect to any partial reallocation pursuant to clause (b)(i) above), pursuant to a cash collateral agreement to be entered into in form and substance reasonably satisfactory to the Administrative Agent, for so long as

such L/C Obligations are outstanding; provided, that the Borrowers shall not be obligated to cash collateralize any Defaulting Lender's participations in Letters of Credit if such Defaulting Lender is also the L/C Issuer;

(iv) if the Borrowers cash collateralize any portion of such Defaulting Lender's participation in Letters of Credit Exposure pursuant to this Section 9.16(b), the Borrowers shall not be required to pay any Letter of Credit Fees to the Administrative Agent for the account of such Defaulting Lender pursuant to Section 2.03 with respect to such cash collateralized portion of such Defaulting Lender's participation in Letters of Credit during the period such participation is cash collateralized;

(v) to the extent the participation by any Non-Defaulting Lender in the Letters of Credit is reallocated pursuant to this Section 9.16(b), then the Letter of Credit Fees payable to the Non-Defaulting Lenders pursuant to Section 2.03 shall be adjusted in accordance with such reallocation;

(vi) to the extent any Defaulting Lender's participation in Letters of Credit is neither cash collateralized nor reallocated pursuant to this Section 9.16(b), then, without prejudice to any rights or remedies of the L/C Issuer or any Lender hereunder, all Letter of Credit Fees that would have otherwise been payable to such Defaulting Lender under Section 2.03 with respect to such portion of such participation shall instead be payable to the L/C Issuer until such portion of such Defaulting Lender's participation is cash collateralized or reallocated;

(vii) so long as any Lender is a Defaulting Lender, the Swing Line Lender shall not be required to make any Swing Line Loan and the L/C Issuer shall not be required to issue, amend, or increase any Letter of Credit, in each case, to the extent (x) the Defaulting Lender's Applicable Percentage of such Swing Line Loans or Letter of Credit cannot be reallocated pursuant to this Section 9.16(b) or (y) the Swing Line Lender or the L/C Issuer, as applicable, has not otherwise entered into arrangements reasonably satisfactory to the Swing Line Lender or the L/C Issuer, as applicable, and the Borrowers to eliminate the Swing Line Lender's or L/C Issuer's risk with respect to the Defaulting Lender's participation in Swing Line Loans or Letters of Credit; and

(viii) The Administrative Agent may release any cash collateral provided by the Borrowers pursuant to this Section 9.16(b) to the L/C Issuer and the L/C Issuer may apply any such cash collateral to the payment of such Defaulting Lender's Applicable Percentage of any Letter of Credit Disbursement that is not reimbursed by the Borrowers pursuant to Section 2.03.

ARTICLE X MISCELLANEOUS

10.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no Consent to any departure by any Loan Party therefrom, shall be effective unless in writing signed by the Administrative Agent, with the Consent of the Required Lenders, and the Lead Borrower or the applicable Loan Party, as the case may be, and acknowledged by the Administrative Agent, and each such waiver or Consent shall be effective only in the specific instance

and for the specific purpose for which given; provided, however, that no such amendment, waiver or consent shall:

(a) extend or, increase the Commitment of any Lender (or reinstate any Commitment terminated pursuant to Section 8.02) without the written Consent of such Lender;

(b) as to any Lender, postpone any date fixed by this Agreement or any other Loan Document for (i) any scheduled payment (including the Maturity Date) or mandatory prepayment of principal, interest, fees or other amounts due hereunder or under any of the other Loan Documents without the written Consent of such Lender entitled to such payment, or (ii) any scheduled or mandatory reduction of the Aggregate Commitments hereunder or under any other Loan Document without the written Consent of such Lender;

(c) as to any Lender, reduce the principal of, or the rate of interest specified herein on, any Loan or L/C Borrowing, or (subject to clause (iv) of the second proviso to this Section 10.01) any fees or other amounts payable hereunder or under any other Loan Document, without the written Consent of each Lender entitled to such amount; provided, however, that only the Consent of the Required Lenders shall be necessary to amend the definition of "Default Rate" or to waive any obligation of the Borrowers to pay interest or Letter of Credit Fees at the Default Rate;

(d) as to any Lender, change Section 2.13 or Section 8.03 in a manner that would alter the pro rata sharing of payments required thereby without the written Consent of such Lender;

(e) change any provision of this Section or the definition of "Required Lenders", or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, without the written Consent of each Lender;

(f) except as expressly permitted hereunder or under any other Loan Document, release, or limit the liability of, any Loan Party without the written Consent of each Lender;

(g) except for Permitted Dispositions, release all or substantially all of the Collateral from the Liens of the Security Documents without the written Consent of each Lender;

(h) increase the Aggregate Commitments without the written Consent of each Lender;

(i) change the definition of the term "Borrowing Base" or any component definition thereof if as a result thereof the amounts available to be borrowed by the Borrowers would be increased without the written Consent of each Lender, *provided that* the foregoing shall not limit the discretion of the Administrative Agent to change, establish or eliminate any Reserves;

(j) modify the definition of Permitted Overadvance so as to increase the amount thereof or, except as provided in such definition, the time period for a Permitted Overadvance without the written Consent of each Lender; and

(k) except as expressly permitted herein or in any other Loan Document, subordinate the Obligations hereunder or the Liens granted hereunder or under the other Loan Documents, to any other Indebtedness or Lien, as the case may be without the written Consent of each Lender;

and, provided further, that (i) no amendment, waiver or Consent shall, unless in writing and signed by the L/C Issuer in addition to the Lenders required above, affect the rights or duties of the L/C Issuer under this Agreement or any Issuer Document relating to any Letter of Credit issued or to be issued by it; (ii) no amendment, waiver or Consent shall, unless in writing and signed by the Swing Line Lender in addition to the Lenders required above, affect the rights or duties of the Swing Line Lender under this Agreement; (iii) no amendment, waiver or Consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required above, affect the rights or duties of the Administrative Agent under this Agreement or any other Loan Document; (iv) no amendment, waiver or Consent shall, unless in writing and signed by the Collateral Agent in addition to the Lenders required above, affect the rights or duties of the Collateral Agent under this Agreement or any other Loan Document, and (v) the Fee Letter may be amended, or rights or privileges thereunder waived, in a writing executed only by the parties thereto. Notwithstanding anything to the contrary herein, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or Consent hereunder, except that the Commitment of such Lender may not be increased or extended without the consent of such Lender.

If any Lender does not Consent (a “Non-Consenting Lender”) to a proposed amendment, waiver, consent or release with respect to any Loan Document that requires the Consent of each Lender and that has been approved by the Required Lenders, the Lead Borrower may replace such Non-Consenting Lender in accordance with Section 10.13; provided that such amendment, waiver, consent or release can be effected as a result of the assignment contemplated by such Section (together with all other such assignments required by the Lead Borrower to be made pursuant to this paragraph).

10.02 Notices; Effectiveness; Electronic Communications.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), 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 telecopier as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i) if to the Loan Parties, the Agents, the L/C Issuer or the Swing Line Lender, to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule 10.02; and

(ii) if to any other Lender, to the address, telecopier number, electronic mail address or telephone number specified in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by telecopier shall be deemed to have been

given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) Electronic Communications. Notices and other communications to the Lenders and the L/C Issuer hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, provided that the foregoing shall not apply to notices to any Lender or the L/C Issuer pursuant to Article II if such Lender or the L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication. The Administrative Agent or the Lead Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) The Platform. THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF 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 Agents or any of their Related Parties (collectively, the "Agent Parties") have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Loan Parties' or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are determined by a court of competent jurisdiction by a final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; provided, however, that in no event shall any Agent Party have any liability to any Loan Party, any Lender, the L/C Issuer or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) Change of Address, Etc. Each of the Loan Parties, the Agents, the L/C Issuer and the Swing Line Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to the other parties hereto. Each other Lender may change its address, telecopier or telephone number for notices and other communications hereunder by notice to

the Lead Borrower, the Agents, the L/C Issuer and the Swing Line Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, telecopier number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(e) Reliance by Agents, L/C Issuer and Lenders. The Agents, the L/C Issuer and the Lenders shall be entitled to rely and act upon any notices (including telephonic Committed Loan Notices and Swing Line Loan Notices) purportedly given by or on behalf of the Loan Parties even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Loan Parties shall indemnify the Agents, the L/C Issuer, each Lender and the Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Loan Parties. All telephonic notices to and other telephonic communications with the Agents may be recorded by the Agents, and each of the parties hereto hereby consents to such recording.

10.03 No Waiver; Cumulative Remedies. No failure by any Credit Party to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or under any other Loan Document preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges provided herein and in the other Loan Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether any Credit Party may have had notice or knowledge of such Default at the time.

10.04 Expenses; Indemnity; Damage Waiver.

(a) Costs and Expenses. The Borrowers shall pay all Credit Party Expenses.

(b) Indemnification by the Loan Parties. The Loan Parties shall indemnify the Agents (and any sub-agent thereof), each other Credit Party, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, causes of action, damages, liabilities, settlement payments, costs, and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by any Borrower or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Agents (and any sub-agents thereof) and their Related Parties only, the administration of this Agreement and the other Loan Documents, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit, any bank advising or confirming a Letter of Credit or any other nominated person with respect to a Letter of Credit seeking to be reimbursed or

indemnified or compensated, and any third party seeking to enforce the rights of a Borrower, beneficiary, nominated person, transferee, assignee of Letter of Credit proceeds, or holder of an instrument or document related to any Letter of Credit, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, (iv) any claims of, or amounts paid by any Credit Party to, a Blocked Account Bank or other Person which has entered into a control agreement with any Credit Party hereunder, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by any Borrower or any other Loan Party or any of the Loan Parties' directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by a Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrowers or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction.

(c) Reimbursement by Lenders. Without limiting their obligations under Section 9.14 hereof, to the extent that the Loan Parties for any reason fail to indefeasibly pay any amount required under subsection (a) or (b) of this Section to be paid by it, each Lender severally agrees to pay to the Agents (or any such sub-agent), the L/C Issuer or such Related Party, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount, provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agents (or any such sub-agent) or the L/C Issuer in its capacity as such, or against any Related Party of any of the foregoing acting for the Agents (or any such sub-agent) or L/C Issuer in connection with such capacity. The obligations of the Lenders under this subsection (c) are subject to the provisions of Section 2.12(d).

(d) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, the Loan Parties shall not assert, and hereby waive, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(e) Payments. All amounts due under this Section shall be payable on demand therefor.

(f) Survival. The agreements in this Section shall survive the resignation of any Agent and the L/C Issuer, the assignment of any Commitment or Loan by any Lender, the replacement of any Lender, the termination of the Aggregate Commitments and the repayment, satisfaction or discharge of all the other Obligations.

10.05 Payments Set Aside. To the extent that any payment by or on behalf of the Loan Parties is made to any Credit Party, or any Credit Party 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 Credit Party in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law 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 and the L/C Issuer severally agrees to pay to the Agents upon demand its Applicable Percentage (without duplication) of any amount so recovered from or repaid by the Agents, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Rate from time to time in effect. The obligations of the Lenders and the L/C Issuer under clause (b) of the preceding sentence shall survive the payment in full of the Obligations and the termination of this Agreement.

10.06 Successors and Assigns.

(a) Successors and Assigns Generally. 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 no Loan Party may assign or otherwise transfer any of its rights or obligations hereunder or under any other Loan Document without the prior written Consent of the Administrative Agent and each Lender and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of Section 10.06(b), (ii) by way of participation in accordance with the provisions of subsection Section 10.06(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 10.06(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). 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 subsection (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Credit Parties) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lenders. Any Lender may at any time assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment(s) and the Loans (including for purposes of this Section 10.06(b), participations in L/C Obligations and in Swing Line Loans) at the time owing to it); provided that any such assignment shall be subject to the following conditions:

- (i) Minimum Amounts

(A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, no minimum amount need be assigned; and

(B) in any case not described in subsection (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment, determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date, shall not be less than \$10,000,000 unless each of the Administrative Agent and, so long as no Default has occurred and is continuing, the Lead Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed); provided, however, that concurrent assignments to members of an Assignee Group and concurrent assignments from members of an Assignee Group to a single Eligible Assignee (or to an Eligible Assignee and members of its Assignee Group) will be treated as a single assignment for purposes of determining whether such minimum amount has been met;

(ii) Proportionate Amounts. 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 with respect to the Loans or the Commitment assigned, except that this clause (ii) shall not apply to the Swing Line Lender's rights and obligations in respect of Swing Line Loans;

(iii) Required Consents. No consent shall be required for any assignment except to the extent required by subsection (b)(i)(B) of this Section and, in addition:

(A) the consent of the Lead Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (1) a Default has occurred and is continuing at the time of such assignment or (2) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; and

(B) the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Commitment if such assignment is to a Person that is not a Lender, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(C) the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(D) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment in respect of the assignment of any Commitment.

(iv) Assignment and Assumption. The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500 payable by the party requesting such assignment,

provided, however, that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to subsection (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, 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 Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption 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 3.01, 3.04, 3.05, and 10.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrowers (at their expense) shall execute and deliver a Note to the assignee Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this subsection 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 Section 10.06(d).

(c) Register. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at the Administrative Agent's Office a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans and L/C Obligations 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 Loan Parties, the Administrative Agent and the Lenders may 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 Lead Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Participations. Any Lender may at any time, without the consent of, or notice to, the Loan Parties (except for the consent of the Lead Borrower only if no Default has occurred and is continuing at the time of such participation (such consent not to be unreasonably withheld or delayed)) or the Administrative Agent, sell participations to any Person (other than a natural person or the Loan Parties or any of the Loan Parties' Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans (including such Lender's participations in L/C Obligations and/or Swing Line Loans) owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Loan Parties, the Agents, the Lenders and the L/C Issuer shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any Participant shall agree in writing to comply with all confidentiality obligations set forth in Section 10.07 as if such Participant was a Lender hereunder.

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; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, waiver or other modification described in the first proviso to Section 10.01 that affects such Participant. Subject to subsection (e) of this Section, the Loan Parties agree that each Participant shall be entitled to the benefits of Sections 3.01, 3.04 and 3.05 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 10.06(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.13 as though it were a Lender.

(e) Limitations upon Participant Rights. A Participant shall not be entitled to receive any greater payment under Section 3.01 or 3.04 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Lead Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 3.01 unless the Lead Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Loan Parties, to comply with Section 3.01(e) as though it were a Lender.

(f) Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(g) Electronic Execution of Assignments. The words "execution," "signed," "signature," and words of like import in any Assignment and Assumption 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.

(h) Resignation as L/C Issuer or Swing Line Lender after Assignment. Notwithstanding anything to the contrary contained herein, if at any time Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC) assigns all of its Commitment and Loans pursuant to subsection (b) above, Wells Fargo may, (i) upon 30 days' notice to the Lead Borrower and the Lenders, resign as L/C Issuer and/or (ii) upon 30 days' notice to the Lead Borrower, Wells Fargo Retail Finance II, LLC may resign as Swing Line Lender. In the event of any such resignation as L/C Issuer or Swing Line Lender, the Lead Borrower shall be entitled to appoint from among the Lenders a successor L/C Issuer or Swing Line Lender hereunder; provided, however, that no failure by the Lead Borrower to appoint any such successor shall affect the resignation of Wells Fargo as L/C Issuer or Swing Line Lender, as the case may be. If Wells Fargo resigns as L/C Issuer, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto (including the right to require the Lenders to make ~~Base Rate~~ Loans or fund risk participations in ~~Unreimbursed Amounts~~ pursuant to Section 2.03(ce)). If Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC) resigns as Swing Line Lender, it shall retain all

the rights of the Swing Line Lender provided for hereunder with respect to Swing Line Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Base Rate Loans or fund risk participations in outstanding Swing Line Loans pursuant to Section 2.04(c). Upon the appointment of a successor L/C Issuer and/or Swing Line Lender, (a) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as the case may be, and (b) the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to Wells Fargo to effectively assume the obligations of Wells Fargo with respect to such Letters of Credit.

10.07 Treatment of Certain Information; Confidentiality. Each of the Credit Parties agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its and its Affiliates' respective partners, directors, officers, employees, agents, funding sources, attorneys, advisors and representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Loan Party and its obligations, (g) with the consent of the Lead Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to any Credit Party or any of their respective Affiliates on a non-confidential basis from a source other than the Loan Parties.

For purposes of this Section, "Information" means all information received from the Loan Parties or any Subsidiary thereof relating to the Loan Parties or any Subsidiary thereof or their respective businesses, other than any such information that is available to any Credit Party on a non-confidential basis prior to disclosure by the Loan Parties or any Subsidiary thereof, provided that, in the case of information received from any Loan Party or any Subsidiary after the ~~date hereof~~ Second Amendment Effective Date, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Each of the Credit Parties acknowledges that (a) the Information may include material non-public information concerning the Loan Parties or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such

10.08 Right of Setoff. If an Event of Default shall have occurred and be continuing or if any Lender shall have been served with a trustee process or similar attachment relating to property of a Loan Party, each Lender, the L/C Issuer and each of their respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent or the Required Lenders, to the fullest extent permitted by applicable law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, the L/C Issuer or any such Affiliate to or for the credit or the account of the Borrowers or any other Loan Party against any and all of the Obligations now or hereafter existing under this Agreement or any other Loan Document to such Lender or the L/C Issuer, regardless of the adequacy of the Collateral, and irrespective of whether or not such Lender or the L/C Issuer shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrowers or such Loan Party may be contingent or unmatured or are owed to a branch or office of such Lender or the L/C Issuer different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Lender, the L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, the L/C Issuer or their respective Affiliates may have. Each Lender and the L/C Issuer agrees to notify the Lead Borrower and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

10.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrowers. In determining whether the interest contracted for, charged, or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

10.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of

the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy shall be as effective as delivery of a manually executed counterpart of this Agreement.

10.11 Survival. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof, except to the extent that such representations and warranties may be revised in accordance with the terms of this Agreement. Such representations and warranties have been or will be relied upon by the Credit Parties, regardless of any investigation made by any Credit Party or on their behalf and notwithstanding that any Credit Party may have had notice or knowledge of any Default at the time of any Credit Extension, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied or any Letter of Credit shall remain outstanding. Further, the provisions of Sections 3.01, 3.04, 3.05 and 10.04 and Article IX shall survive and remain in full force and effect regardless of the repayment of the Obligations, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof. In connection with the termination of this Agreement and the release and termination of the security interests in the Collateral, the Agents may require such indemnities and collateral security as they shall reasonably deem necessary or appropriate to protect the Credit Parties against (x) loss on account of credits previously applied to the Obligations that may subsequently be reversed or revoked, (y) any obligations that may thereafter arise with respect to the Other Liabilities and (z) any Obligations that may thereafter arise under Section 10.04.

10.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.13 Replacement of Lenders. If any Lender requests compensation under Section 3.04, or if the Borrowers are required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 3.01, or if any Lender is a Defaulting Lender or a Non-Consenting Lender, then the Borrowers may, at their sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 10.06), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment), provided that:

(a) the Borrowers shall have paid to the Administrative Agent the assignment fee specified in Section 10.06(b)(iv);

(b) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and L/C Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any amounts under Section 3.05) from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts);

(c) in the case of any such assignment resulting from a claim for compensation under Section 3.04 or payments required to be made pursuant to Section 3.01, such assignment will result in a reduction in such compensation or payments thereafter; and

(d) such assignment does not conflict with applicable Laws.

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

10.14 Governing Law; Jurisdiction; Etc.

(a) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

(b) SUBMISSION TO JURISDICTION. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY 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 ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE LOAN PARTIES HERETO 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 COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE LOAN 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 OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY CREDIT PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST ANY LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) WAIVER OF VENUE. EACH LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (B) OF THIS SECTION. EACH OF THE LOAN PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) SERVICE OF PROCESS. EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 10.02. NOTHING IN THIS

AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

(e) ACTIONS COMMENCED BY LOAN PARTIES. EACH LOAN PARTY AGREES THAT ANY ACTION COMMENCED BY ANY LOAN PARTY ASSERTING ANY CLAIM OR COUNTERCLAIM ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT SHALL BE BROUGHT SOLELY IN A COURT OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY OR ANY FEDERAL COURT SITTING THEREIN AS THE ADMINISTRATIVE AGENT MAY ELECT IN ITS SOLE DISCRETION AND CONSENTS TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS WITH RESPECT TO ANY SUCH ACTION.

10.15 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby, the Loan Parties each acknowledge and agree that: (i) the credit facility 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 Loan Document) are an arm's-length commercial transaction between the Loan Parties, on the one hand, and the Credit Parties, on the other hand, and each of the Loan Parties is capable of evaluating and understanding and understands and accepts the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents (including any amendment, waiver or other modification hereof or thereof); (ii) in connection with the process leading to such transaction, the each Credit Party is and has been acting solely as a principal and is not the financial advisor, agent or fiduciary, for the Loan Parties or any of their respective Affiliates, stockholders, creditors or employees or any other Person; (iii) none of the Credit Parties has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Loan Parties 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 Loan Document (irrespective of whether any of the Credit Parties has advised or is currently advising any Loan Party or any of its Affiliates on other matters) and none of the Credit Parties has any obligation to any Loan Party or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; (iv) the Credit Parties and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Loan Parties and their respective Affiliates, and none of the Credit Parties has any obligation to disclose any of such interests by virtue of any advisory, agency or fiduciary relationship; and (v) the Credit Parties have not provided and will not

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 Loan Document) and each of the Loan Parties has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate. Each of the Loan Parties hereby waives and releases, to the fullest extent permitted by law, any claims that it may have against each of the Credit Parties with respect to any breach or alleged breach of agency or fiduciary duty.

10.17 USA PATRIOT Act Notice. Each Lender that is subject to the Act (as hereinafter defined) and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Loan Parties that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Act"), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the Act. Each Loan Party is in compliance, in all material respects, with the Patriot Act. No part of the proceeds of the Loans will be used by the Loan Parties, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended.

10.18 Foreign Asset Control Regulations. Neither of the advance of the Loans nor the use of the proceeds of any thereof will violate the Trading With the Enemy Act (50 U.S.C. § 1 et seq., as amended) (the "Trading With the Enemy Act") or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) (the "Foreign Assets Control Regulations") or any enabling legislation or executive order relating thereto (which for the avoidance of doubt shall include, but shall not be limited to (a) Executive Order 13224 of September 21, 2001 Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) (the "Executive Order") and (b) the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (Public Law 107-56)). Furthermore, none of the Borrowers or their Affiliates (a) is or will become a "blocked person" as described in the Executive Order, the Trading With the Enemy Act or the Foreign Assets Control Regulations or (b) engages or will engage in any dealings or transactions, or be otherwise associated, with any such "blocked person" or in any manner violative of any such order.

10.19 Time of the Essence. Time is of the essence of the Loan Documents.

10.20 Press Releases.

Each Loan Party agrees to provide its reasonable consent to the publication by Administrative Agent or any Lender of advertising material relating to the financing transactions contemplated by this Agreement using any Loan Party's name, product photographs, logo or trademark. Administrative Agent or such Lender shall provide a draft of any advertising material to the Lead Borrower at least five (5) days prior to the publication thereof. Upon consent from Lead Borrower, Administrative Agent may

provide to industry trade organizations information necessary and customary for inclusion in league table measurements.

10.21 Additional Waivers.

(a) The Obligations are the joint and several obligation of each Loan Party. To the fullest extent permitted by Applicable Law, the obligations of each Loan Party shall not be affected by (i) the failure of any Credit Party to assert any claim or demand or to enforce or exercise any right or remedy against any other Loan Party under the provisions of this Agreement, any other Loan Document or otherwise, (ii) any rescission, waiver, amendment or modification of, or any release from any of the terms or provisions of, this Agreement or any other Loan Document, or (iii) the failure to perfect any security interest in, or the release of, any of the Collateral or other security held by or on behalf of the Collateral Agent or any other Credit Party.

(b) The obligations of each Loan Party shall not be subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full in cash of the Obligations after the termination of the Commitments), including any claim of waiver, release, surrender, alteration or compromise of any of the Obligations, and shall not be subject to any defense or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of any of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Loan Party hereunder shall not be discharged or impaired or otherwise affected by the failure of any Agent or any other Credit Party to assert any claim or demand or to enforce any remedy under this Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, any default, failure or delay, willful or otherwise, in the performance of any of the Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of any Loan Party or that would otherwise operate as a discharge of any Loan Party as a matter of law or equity (other than the indefeasible payment in full in cash of all the Obligations after the termination of the Commitments).

(c) To the fullest extent permitted by applicable Law, each Loan Party waives any defense based on or arising out of any defense of any other Loan Party or the unenforceability of the Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any other Loan Party, other than the indefeasible payment in full in cash of all the Obligations and the termination of the Commitments. The Collateral Agent and the other Credit Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or non-judicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Obligations, make any other accommodation with any other Loan Party, or exercise any other right or remedy available to them against any other Loan Party, without affecting or impairing in any way the liability of any Loan Party hereunder except to the extent that all the Obligations have been indefeasibly paid in full in cash and the Commitments have been terminated. Each Loan Party waives any defense arising out of any such election even though such election operates, pursuant to applicable Law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Loan Party against any other Loan Party, as the case may be, or any security.

(d) Each Borrower is obligated to repay the Obligations as joint and several obligors under this Agreement. Upon payment by any Loan Party of any Obligations, all rights of such Loan Party against any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of

payment to the prior indefeasible payment in full in cash of all the Obligations and the termination of the Commitments. In addition, any indebtedness of any Loan Party now or hereafter held by any other Loan Party is hereby subordinated in right of payment to the prior indefeasible payment in full of the Obligations and no Loan Party will demand, sue for or otherwise attempt to collect any such indebtedness. If any amount shall erroneously be paid to any Loan Party on account of (i) such subrogation, contribution, reimbursement, indemnity or similar right or (ii) any such indebtedness of any Loan Party, such amount shall be held in trust for the benefit of the Credit Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement and the other Loan Documents. Subject to the foregoing, to the extent that any ~~Borrower Loan Party~~ shall, under this Agreement as a joint and several obligor, repay any of the Obligations constituting Revolving Loans made to another ~~Borrower Loan Party~~ hereunder or other Obligations incurred directly and primarily by any other ~~Borrower Loan Party~~ (an "Accommodation Payment"), then the ~~Borrower Loan Party~~ making such Accommodation Payment shall be entitled to contribution and indemnification from, and be reimbursed by, each of the other ~~Borrowers Loan Parties~~ in an amount, for each of such other ~~Borrowers Loan Parties~~, equal to a fraction of such Accommodation Payment, the numerator of which fraction is such other ~~Borrower Loan Party's~~ Allocable Amount and the denominator of which is the sum of the Allocable Amounts of all of the ~~Borrowers Loan Parties~~. As of any date of determination, the "Allocable Amount" of each ~~Borrower Loan Party~~ shall be equal to the maximum amount of liability for Accommodation Payments which could be asserted against such ~~Borrower Loan Party~~ hereunder without (a) rendering such ~~Borrower Loan Party~~ "insolvent" within the meaning of Section 101 (31) of the Bankruptcy Code, Section 2 of the Uniform Fraudulent Transfer Act ("UFTA") or Section 2 of the Uniform Fraudulent Conveyance Act ("UFCA"), (b) leaving such ~~Borrower Loan Party~~ with unreasonably small capital or assets, within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the UFTA, or Section 5 of the UFCA, or (c) leaving such ~~Borrower Loan Party~~ unable to pay its debts as they become due within the meaning of Section 548 of the Bankruptcy Code or Section 4 of the UFTA, or Section 5 of the UFCA.

(e) Without limiting the generality of the foregoing, or of any other waiver or other provision set forth in this Agreement, each Loan Party hereby absolutely, knowingly, unconditionally, and expressly waives any and all claim, defense or benefit arising directly or indirectly under any one or more of Sections 2787 to 2855 inclusive of the California Civil Code or any similar law of California.

10.22 No Strict Construction.

The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

10.23 Attachments.

The exhibits, schedules and annexes attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

10.24 Intercreditor Agreement.

EACH LENDER UNDERSTANDS, ACKNOWLEDGES AND AGREES THAT LIENS SHALL BE CREATED ON THE COLLATERAL PURSUANT TO THE ABL DOCUMENTS, WHICH LIENS SHALL BE SUBJECT TO TERMS AND CONDITIONS OF THE INTERCREDITOR AGREEMENT, PURSUANT TO THE EXPRESS TERMS OF THE INTERCREDITOR AGREEMENT. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND ANY OF THE LOAN DOCUMENTS, THE PROVISIONS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

EACH LENDER AUTHORIZES AND INSTRUCTS THE AGENTS TO ENTER INTO THE INTERCREDITOR AGREEMENT ON BEHALF OF THE LENDERS, AND TO TAKE ALL ACTIONS (AND EXECUTE ALL DOCUMENTS) REQUIRED (OR DEEMED ADVISABLE) BY THE AGENTS IN ACCORDANCE WITH THE TERMS OF THE INTERCREDITOR AGREEMENT.

THE PROVISIONS OF THIS SECTION 10.24 ARE NOT INTENDED TO SUMMARIZE ALL RELEVANT PROVISIONS OF THE INTERCREDITOR AGREEMENT. REFERENCE MUST BE MADE TO THE INTERCREDITOR AGREEMENT ITSELF TO UNDERSTAND ALL TERMS AND CONDITIONS THEREOF. EACH LENDER IS RESPONSIBLE FOR MAKING ITS OWN ANALYSIS AND REVIEW OF THE INTERCREDITOR AGREEMENT AND THE TERMS AND PROVISIONS THEREOF, AND NONE OF THE ADMINISTRATIVE AGENT, THE COLLATERAL AGENT OR ANY OF THEIR RESPECTIVE AFFILIATES MAKES ANY REPRESENTATION TO ANY LENDER AS TO THE SUFFICIENCY OR ADVISABILITY OF THE PROVISIONS CONTAINED IN THE INTERCREDITOR AGREEMENT.

[remainder of 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 date first above written.

BORROWERS

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.,
a California corporation

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.,
a Minnesota corporation

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC,
a Delaware limited liability company

by Sportsman's Warehouse, Inc., its sole member

By: _____
Name: Kevan Talbot
Title: Chief Financial Officer

GUARANTOR

GUARANTORS

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,
a Utah corporation

By: _____

Name: Kevan Talbot

Title: Chief Financial Officer

Signature Page to Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION
(as successor by merger to Wells Fargo Retail Finance, LLC),
as Administrative Agent and as Collateral Agent

By: _____

Name: _____

Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION
(as successor by merger to Wells Fargo Retail Finance, LLC),
as a Lender and Swing Line Lender

By: _____

Name: _____

Title: _____

1486245.1

1486245.8

Exhibit B

Updated Schedules to Credit Agreement

[see attached]

SCHEDULE 2.01

Commitments and Applicable Percentages

<u>Lender</u>	<u>Commitment</u>	<u>Applicable Percentage</u>
Wells Fargo Bank, National Association	\$60,000,000	100%
TOTAL	<u>\$60,000,000</u>	<u>100%</u>

SCHEDULE 5.05

Material Indebtedness

1. **Note Payable to Unsecured Creditors.** In connection with a voluntary reorganization under Chapter 11 of the United States Bankruptcy Code, the Company assumed a \$15,000,000 note payable to the unsecured creditors of the predecessor company. The entire amount of this note has been paid, except for \$3.5 million that is pending a ruling by a judge in the Bankruptcy Court. As of the Second Amendment Effective Date, the gross amount held was \$3,534,162.

SCHEDULE 5.06

Litigation

None.

SCHEDULE 5.07

Default

None.

SCHEDULE 5.08(b)(1)

Owned Real Estate

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location</u>	<u>Existing Liens on Property</u>
Sportsman's Warehouse, Inc.	41 W. 84th Avenue, Thornton, Colorado 80260	Adams	Outparcel ¹	None

¹ The estimated market value of this property is \$376,768.

SCHEDULE 5.08(b)(2)**Leased Real Estate**

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	1750 South Greenfield Rd., Mesa, AZ 85206-3481	Maricopa	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	19205 North 27th Ave., Phoenix, AZ 85027	Maricopa	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	1675 Rocky Mountain Ave., Loveland, CO 80538	Larimer	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	11 West 84th Ave, Thornton, CO 80260	Adams	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	921 SE Oralabor Rd., Ankeny, IA 50021	Polk	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	165 West 7200 South, Midvale, UT 84047	Salt Lake	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	8681 Old Seward Highway, Anchorage, AK 99515	Municipality of Anchorage	ANC Dimond LLC and ANC Hawkins LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	423 Merhar Avenue, Fairbanks, AK 99701-3166	Fairbanks North Star Borough	Aurora Center LLC, Cascade I, LLC and Cornell III, LLC c/o Elliott Associates 901 NE Glisan Street Portland, OR 97232
Sportsman's Warehouse, Inc.	44402 Sterling Highway, Soldotna, AK 99669-8033	Kenai Peninsula Borough	SXQ Company, LLC c/o Penco Properties Attn: Henry Penney 3620 Penland Parkway Anchorage, AK 99508 Phone: (907) 276-2222
Sportsman's Warehouse, Inc.	1901 East Parks Highway, Wasilla, AK 99654	Matanuska-Susitna Borough	G&M Wasilla LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	3945 West Costco Drive, Marana (Tucson), AZ 85741	Pima	HCo Marana LLC (ID LLC), Gary R. Hawkins c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse Southwest, Inc.	1659 Hilltop Drive, Redding, CA 96002-0240	Shasta	GRH California LLC, MRH Redding LLC and GP Hilltop LLC (ID LLCs) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse Southwest, Inc. (an assignee of Sportsman's Warehouse, Inc.)	6640 Lonetree Blvd., Rocklin, CA 95765	Placer	MGP X Properties LLC 425 California St., 11 th Floor, San Francisco, CA 94104
Sportsman's Warehouse, Inc.	555 North Chelton Road, Colorado Springs, CO 80909- 5217	El Paso	MMP Citadel, LLC (a Delaware LLC) MMP Citadel, LLC 5571 Bleaux Avenue Springdale, AR 72762
Sportsman's Warehouse, Inc.	2464 US Highway 6 & 50, Suite A, Grand Junction, CO 81505	Mesa	Grand Mesa Center, L.L.C. (DE LLC) c/o THF Realty, Inc. 2127 Innerbelt Business Center Drive Suite 200 St. Louis MO 63114 Attn: Lease Administration

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	2909 South 25th East, Ammon, ID 83406	Bonneville	William H. Ziering P.O. Box 8435 15611 Via De Santa Fe Rancho Santa Fe, CA 92067
Sportsman's Warehouse, Inc.	2002 Thain Grade, Lewiston, ID, 83501-4105	Nez Perce	McCann Ranch & Livestock Co. Attn: William V. McCann, Jr., President 1027 Bryden Avenue Lewiston, Idaho 83501 Telephone: (208) 743-5517
Sportsman's Warehouse, Inc.	3797 East Fairview Avenue, Meridian, ID 83642	Ada	GS II Meridian Crossroads LLC C/O DDR New Business Development, Department 20236, PO Box 931256, Cleveland, OH 44122.
Sportsman's Warehouse, Inc.	16865 North Market Place Blvd., Nampa, ID 83687	Canyon	Trade Zone Associates (CA LLP), Mabury Village (CA GP) 595 Millich Drive, Suite 103 Campbell CA 95008 Attn: Joel Rubnitz Phone: (408) 871-8722 Fax: (408) 374-5953
Sportsman's Warehouse, Inc.	1940 Bridgeview Blvd., Twin Falls, ID 83301	Twin Falls	Canyon Park I, LLC Attn: Tina F. Luper 161 5th Avenue South, Suite 202 Twin Falls, ID 83303 208/421-8296 (Phone) 208/736-3912
Sportsman's Warehouse, Inc.	2200 War Admiral Way, Suite 140, Lexington, KY 40509	Lexington-Fayette	War Admiral Place, LLC (KY LLC) 2527 Sir Barton Way Lexington, KY 40509
Sportsman's Warehouse, Inc.	130 Marathon Way, Southaven, MS 38671	DeSoto	SW-MS, LLC Lucknow, LLC Nolin SW, LLC Attn: James Devincenti 1 Blackfield Drive, #112 Tiburon, CA 94920 Phone: (415) 625-2158 (office) Phone: (415) 516-3270 (cell)
Sportsman's Warehouse, Inc.	5647 Centennial Center Boulevard, Las Vegas, NV 89149-7104	Clark	Centennial Gateway, LLC (NV LLC) Attn: Terri Sturm 5785 Centennial Center Blvd. Suite 230 (702) 822-8200
Sportsman's Warehouse, Inc.	3306 Kietzke Lane, Reno, NV 89502	Washoe	Kietzke Plaza LLC (WA LLC) Attn: Rob Rothe 3000 Northup Way Suite 101 Bellevue, WA 98004
Sportsman's Warehouse, Inc.	1450 Renaissance Blvd. NE, Albuquerque, NM 87107	Bernalillo	Kenneth Donald Knievel Administrative Agent 225 Sequoia Circule Windsor, CO 80550-5807

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	4905 E. Main St., Farmington NM 87402-8657	San Juan	Hawkins-Smith & Christensen LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	1710 Delta Waters Road, Medford, OR 97504	Jackson	Crater Lake Venture, LLC (OR LLC) Attn: Sheila Roley, Property Manager 744 Cardley Avenue, Suite 100 Medford, OR 97504
Sportsman's Warehouse, Inc.	476 Piney Grove Road, Columbia, SC 29210	Richland	Boise Spectrum LLC (ID LLC), GRH Kaysville LLC (ID LLC) and MRH Venture Capital LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	6241 Perimeter Drive, Suite 101, Chattanooga, TN 37421	Hamilton	G&M Chattanooga (ID GP) and Slovis Chattanooga, LLC (TN LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	1075 South University Avenue, Provo, UT 84601	Utah	East Bay Center, LLC, (UT LLC) c/o Elliot Associates, Inc. as agents 901 NE Gilsan Portland, OR 97232
Pacific Flyway Wholesale, LLC	7035 South High Tech Drive (185 West), Midvale, UT 84047	Salt Lake	7037 South Warehouse LLC (UT LLC) Attn: Scott A. Nielsen 6371 South Vintage Oak Lane Salt Lake City, UT 84121
Sportsman's Warehouse, Inc.	1137 West Riverdale Road, Riverdale, UT 84405	Weber	DDR Riverdale South LLC c/o Developers Diversified Realty Corporation 3300 Enterprise Parkway Beachwood, OH 44122 Re: Account # 104873-20247-7076 Attn: Vice President-Leasing
Pacific Flyway Wholesale, LLC	1795 South 5350 West, Salt Lake City, UT 84104	Salt Lake	Landmark III Property LLC (UT LLC) 9061 Santa Monica Boulevard Los Angeles, CA 90069
Sportsman's Warehouse, Inc.	2957 East 850 North, St. George, UT 84790	Washington	Miller Properties St. George, LLC (ID LLC) Attn: Otto Miller 1395 Marsten Road Burlingame, CA 94010

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	9669 South Prosperity Road, West Jordan, UT 84088-6219	Salt Lake	KPFN Properties, L.C. The Ninigret Group, L.C. Manager 1700 South 4650 West Salt Lake City, UT 84104 Attn: Randolph G. Abood, Manager
Sportsman's Warehouse, Inc.	3550 Ferncliff Avenue N.W., Roanoke, VA 24017	Roanoke	MRH Venture Capital LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	120 31st Avenue SE, Suite G, Puyallup, WA 98374	Pierce	South Hill Village Limited Partnership c/o Anka Property Group Attn: Andrew Stringer Level 3, 179-191 New South Head Road (PO Box 727) Edgecliff NSW 2027 Telephone: +61 2 3902-3000
Sportsman's Warehouse, Inc.	4120 East 2nd Street, Casper, WY 82609-2319	Natrona	GRH Casper LLC MKJ Casper LLC c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	3745 East Lincoln Way, Cheyenne, WY 82001	Laramie	SW Cheyenne, LLC Attn: Mike Stangl 90 East 7200 South, Suite 200 Midvale, UT 84047 Telephone: (801) 255-1222
Pacific Flyway Wholesale, LLC	5105 West 1525 South, Salt Lake City, UT 84104	Salt Lake	Natomas Meadows, LLC 1505 South Redwood Road P.O. Box 30076 Salt Lake City, UT 84130

SCHEDULE 5.09

Environmental Matters

None.

SCHEDULE 5.10

Insurance

Summary of insurance policies held by the Loan Parties:

Type	Policy #/Period	Limits	Deductible	Premiums
EPLI - National Union Fire Insurance Co.				
	***	Agent: Diversified Insurance /Carpenter Moore		
Directors & Officers	4/1/12 - 4/1/13	***	***	
Employment Practices	4/1/12 - 4/1/13	***	***	
Third Party Discrimination	4/1/12 - 4/1/13	***	***	
Fiduciary	4/1/12 - 4/1/13	***	***	\$ ***
EPLI - Federal Insurance Company				
	***	Agent: Diversified Insurance / Carpenter Moore		
D&O EPLI - Excess	4/1/12 - 4/1/13	***	N/A	\$ ***
Worker's Comp				
		Agent: Lockton Companies		
All other Locations - Berkshire Hathaway	***		Varies	\$ ***
CA Locations - Cypress Ins. Co.	***		Varies	\$ ***
OR Locations - Continental Divide Ins Co.	***		Varies	\$ ***
	11/1/12 - 11/1/13	(A) ***		

(A) ***

GL, Property, Umbrella		Agent: Lockton Companies		
General Liability				
All other locations	***			\$ ***
California/Nevada Stores	***			\$ ***
Kentucky/Mississippi Stores	***			\$ ***
Alaska Stores	***		***	\$ ***
	11/1/12 - 11/1/13	***		

Property - Affiliated FM	11/1/12 - 11/1/13	***	***	\$ ***
			(Other Deductibles: ***)	

Umbrella - National Union Fire Ins of PA	11/1/12 - 11/1/13	***	***	\$ ***
XS Quake - QBE				
	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***		\$ ***
Auto - Depositors Ins Co				
	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	\$ ***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Ocean Cargo - Lloyds of London	***	Agent:		
	11/1/12 - 11/1/13	Lockton Companies	***	***
Crime - National Union Fire of PA	***	Agent:		
	11/1/12 - 11/1/13	Lockton Companies	***	***
Network Security - Network Security	***	Agent:		
	11/1/12 - 11/1/13	Lockton Companies	***	***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 5.13

Subsidiaries; Other Equity Investments; Equity Interests in the Borrower

(a) Authorized Equity Interests

<u>Company</u>	<u>Jurisdiction of Organization</u>	<u>Authorized Equity Interests</u>
Sportsman's Warehouse, Inc.	Utah	1,000 Shares Common Stock, \$.01 par value
Minnesota Merchandising Corp.	Minnesota	1,000 Shares Common Stock, \$.01 par value
Sportsman's Warehouse Southwest, Inc.	California	1,000 Shares Common Stock, \$.01 par value
Pacific Flyway Wholesale, LLC	Delaware	Percentage Interests

(b) Equity Interests Held

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman's Warehouse, Inc.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100
Minnesota Merchandising Corp.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100
Sportsman's Warehouse Southwest, Inc.	Sportsman's Warehouse, Inc.	Common Stock	100
Pacific Flyway Wholesale, LLC			100% of the
	Sportsman's Warehouse, Inc.	Percentage Interests	Percentage Interests

(c) Loan Party Ownership

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman's	SEP SWH Holdings, L.P.	Common Stock	4,700,000

Warehouse Holdings, Inc.	New SEP SWH Holdings, L.P.	Common Stock	4,800,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	61,940
	***	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	157,250
	John Schaefer	Restricted Nonvoting Common Stock	891,125
	***	Restricted Nonvoting Common Stock	139,438
	***	Restricted Nonvoting Common Stock	10,000
	Kevan Talbot	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	100
	***	Restricted Nonvoting Common Stock	1,300
	***	Restricted Nonvoting Common Stock	2,500
	***	Restricted Nonvoting Common Stock	100
	***	Restricted Nonvoting Common Stock	300
	***	Restricted Nonvoting Common Stock	2,000
	***	Restricted Nonvoting Common Stock	500

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Restricted Nonvoting
Common Stock 200

Restricted Nonvoting
Common Stock 100

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 5.17

Intellectual Property

None.

SCHEDULE 5.18

Labor Matters

Plan/Agreement/Arrangements:

Employee Stock Plan.

The Management Reimbursement Agreement.

Complaints/Claims:

1. Alaska State Commission for Human Rights Complaint of Discrimination filed by Robbie Campbell (ASCHR No. J-11-166). Ms. Campbell, a former employee at the Company's Soldotna, Alaska location, filed a charge of discrimination alleging age discrimination on June 30, 2011. Sportsman's Warehouse, Inc. filed a response to the charge and denied the allegation. On September 26, 2011, the Alaska State Commission for Human Rights issued a closing order because "Complainant has requested withdrawal of her complaint."
2. United States Equal Employment Opportunity Commission Charge of Discrimination filed by Shannon Aykroid (EEOC No. 543-2011-00409). Ms. Aykroid, a former employee at the Company's Albuquerque, New Mexico location, filed a charge of discrimination on July 6, 2011, alleging disability discrimination. Sportsman's Warehouse, Inc. denied the allegations in its response on September 20, 2011. The U.S. Equal Employment Opportunity Commission issued a Dismissal and Notice of Right to Sue on June 8, 2012. The State of New Mexico Department of Workforce Solutions issued an Order of Nondetermination on June 13, 2012. This order provides that Ms. Aykroid may bring judicial action within 90 days of the notice. It is unknown whether there will be any subsequent judicial proceedings arising from this charge.
3. Alaska State Commission for Human Rights Complaint of Discrimination filed by Richard Schmidtberger (ASCHR No. J-11-315). Mr. Schmidtberger, a former employee at the Company's Anchorage, Alaska location, filed a charge of discrimination on December 8, 2011, alleging age discrimination. Sportsman's Warehouse, Inc. denies this allegation, which remains under investigation by the Alaska State Human Rights Commission.
4. Ganz & Hauf, CHTD v. David Scott, et al. On or about May 3, 2010, the law firm of Ganz & Hauf filed an action in state district court in Clark County, Nevada against Sportsman's Warehouse, Inc. and IEC Group Inc. dba AmeriBen ("AmeriBen") seeking the payment of certain medical expenses following a motor vehicle accident. Sportsman's Warehouse, Inc. retained Nevada counsel and removed the action to federal court (Case No. 2:10-CV-00996-PMP-LRL). AmeriBen as since tendered the defense of Sportsman's Warehouse, Inc. as the medical plan administrator of Sportsman's Warehouse, Inc. and is conducting the defense of the lawsuit. A motion for summary judgment is currently pending before the Court.
5. United States Equal Employment Opportunity Commission Charge of Discrimination filed by Shannon A. Welch (EEOC No. 35C-2012-00332; UALD No. B2-0332). On or about March 22, 2012, Sportsman's Warehouse, Inc. received notice from the U.S. Equal Employment Opportunity Commission and Utah Labor Commission that Ms. Welch, a former employee at the Company's St. George, Utah location, had filed a charge of discrimination against the Company alleging sex discrimination. Sportsman's Warehouse, Inc. denies these allegations. On or about

May 26, 2012, Ms. Welch submitted a request to withdraw her charge in order to receive a Notice of Right to Sue from the U.S. Equal Employment Opportunity Commission. This request is being processed and it is expected that Ms. Welch will thereafter bring suit against Sportsman's Warehouse.

SCHEDULE 5.21(a)

DDAs and Blocked Accounts

U.S. Bank National Association
 One US Bank Plaza
 7th & Washington
 St. Louis, Missouri 63101

<u>Loan Party</u>	<u>Account Number</u>	<u>Account Type</u>	
Sportsman’s Warehouse, Inc.	***	Concentration Account	
	***	CD Account	
	***	Main Operating Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	Sportsman’s Warehouse Holdings, Inc.	***	Operating Account
	Pacific Flyway Wholesale, LLC	***	Collateral (Depository)
		***	Controlled Disbursement
	Sportsman’s Warehouse Southwest, Inc.	***	Operating Account
***		Depository Account	

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Wells Fargo Bank, N.A.
299 South Main St., 4th Floor
SLC, UT 84111

<u>Loan Party</u>	<u>Account Number</u>	<u>Account Type</u>
Sportsman's Warehouse, Inc.	***	Collateral (Depository)
	***	Operating Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

SCHEDULE 5.21(b)

Credit Card Arrangements

1. Terms of Service, as may have been amended and supplemented from time to time (including without limitation by the terms of the PIN-Based, Online Debit Card Addendum to the Terms of Service) between Elavon, Inc. (US Bank) and Sportsman's Warehouse, Inc.
2. Merchant Services Agreement, Form 33722, Rev. 9/02, effective as of June 1, 2003, as may have been amended and supplemented from time to time, between DFS Services LLC f/k/a Discover Financial Services LLC and Sportsman's Warehouse, Inc.
3. American Express® Card Acceptance Agreement, as may have been amended and supplemented from time to time between American Express Travel Related Services Company, Inc. and Sportsman's Warehouse, Inc.
4. On November 9, 2011, the Company received notice from Elavon, Inc. that it has been identified as a Payment Card Industry ("PCI") Level 2 Merchant and, as such, is required to take certain compliance actions by November 30, 2012, including the completion of the Visa Prohibited Data Retention Attestation form, which the Company completed on January 23, 2012.

SCHEDULE 5.24

Material Contracts

1. Term Documents.
2. See Schedule 5.08(b)(2).

SCHEDULE 7.01

Existing Liens

Existing Liens

None.

Existing Financing Statements

None.

SCHEDULE 7.02

Existing Investments

None other than as listed on Schedule 5.13.

SCHEDULE 7.03

Existing Indebtedness

None other than as listed on Schedule 5.05

SCHEDULE 10.02

Administrative Agent's Office; Certain Addresses for Notices

Administrative Agent's Office:

Wells Fargo Bank, National Association, as Administrative Agent
One Boston Place, 18th Floor
Boston, Massachusetts 02108
Attention: Mr. Peter Foley
Telephone: (617) 854-7283
Facsimile: (855) 461-3726
E-mail: peter.foley@wellsfargo.com

Certain Addresses for Notices:

If to any Loan Party:

Sportsman's Warehouse, Inc.
7035 South High Tech Drive
Midvale, Utah 84047
Attn: Chief Financial Officer
Telephone: (801) 304-4321
Facsimile: (801) 304-4305
E-mail: ktalbot@sportsmanswarehouse.com

with copies to:

Lindquist & Vennum PLLP
4200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Attn: Debra Page, Esq.
Telephone: (612) 371-3528
Facsimile: (612) 371-3207
E-mail: dpage@lindquist.com

and

Sportsman's Warehouse, Inc.
c/o Seidler Equity Partners
4640 Admiralty Way, Suite 1200
Marina del Rey, California 90292
Attn: General Counsel
Telephone: (213) 683-4551

Facsimile: (213) 624-0691

E-mail: mfairclough@seidlercos.com

If to the Administrative Agent, the Collateral Agent, the L/C Issuer or the Swing Line Lender:

Wells Fargo Bank, National Association, as Administrative Agent

One Boston Place, 18th Floor

Boston, Massachusetts 02108

Attention: Mr. Peter Foley

Telephone: (617) 854-7283

Facsimile: (855) 461-3726

E-mail: peter.foley@wellsfargo.com

with a copy to:

Riemer & Braunstein LLP

Three Center Plaza

Boston, Massachusetts 02108

Attention: Jason S. DelMonico, Esq.

Telephone: (617) 880-3496

Facsimile: (617) 692-3496

E-mail: jdelmonico@wellsfargo.com

Website address of the Lead Borrower: www.sportsmanswarehouse.com

Exhibit C

Updated Exhibit G to Credit Agreement

[see attached]

Sportsman's Warehouse, Inc. Borrowing Base Certificate	As of Date: Certificate #	11/8/2012 14
Credit Card Receivables		
Credit Card Renewable as of:	10/27/2012	
Less: Outstanding Credit Card Fees		
Eligible Credit Card Receivables		\$
Advance Rate		90.0%
Total Credit Card Receivables Availability		\$
RETAIL INVENTORY		
Beginning Inventory per Stock Ledger	9/22/2012	At Retail At Cost
Add: Purchases		
Available for Sale		
Less: Sales/Cost of Good Sold		
Ending Inventory per Stock Ledger		\$
Add: DC to Stores Inventory not in either system		
Ecommerce Inventory		
Ending Inventory as of:	10/27/2012	
Less Ineligibles:		
Shrink Reserve (50% of Ending Inventory)		
Duck Stamps (Dept #23)		
Store Supplies, Shop Parts, Headquarters Inv. Licenses (Dept #6 10t, 21 & 60)		
Total Intangibles		
Eligible Retail Inventory	NOLV	\$
Advance Rate Lesser of (i) 90% of NOLV and (ii) 75% of Cost	90.0%	75.0%
Total Retail Inventory Availability		\$
WHOLESALE INVENTORY		
Beginning Inventory	8/22/2012	At Retail At Cost
Add: Purchases		
Available for Sale		
Less: Sales/Cost of Good Sold		
Ending Inventory per Stock Ledger		
Stores to DC Inventory not in either system		
Ending Inventory as of:	10/27/2012	
Less Ineligibles:		
Shrink		
Store Supplies		
Total Intangibles		
Eligible Wholesale Inventory	NOLV	\$
Advance Rate Lesser of (i) 90% of NOLV and (ii) 75% of Cost	90.0%	75.0%
Total Wholesale Inventory Availability		\$
Total Inventory Availability		\$
Gross Borrowing Base Availability		\$
Less: Availability Reserves	as of: 10/27/2012	
Gift Certificate/Cards (50%)	as of: 11/8/2012	\$
Customer Deposits/Layaway (100%)		
Total Availability Reserves		\$
Total Borrowing Base		\$
Total Capped Borrowing Base (Capped at \$760,000,000)		\$
AVAILABILITY CALCULATION		
Beginning Principal Balance	as of: 10/27/12	\$
ADD	Prior day's advance	
ADD	Fees charged today	
ADD	Legal Fees	
ADD	Prior day's requested lending	
ADD	LIBOR balance	
LESS	Prior day's pay down	
Ending Principal Balance prior to advance request	as of: 10/27/2012	

ADVANCE REQUEST		\$
Ending Principal Balance		
ADD	Standby Letters of Credit	
ADD	Commercial Letters of Credit	
Total exposure		<u>\$</u>
Net Availability After Today's Request / Pay Down		<u>\$</u>
Excess Availability (Net Borrowing Base less total exposure)		
Minimum Excess Availability Covenant 10% of the Loan Cap		\$
Minimum Availability Covenant		<u>(5,000,000)</u>
Trigger to Weekly BBC (if (i) an Event of Default exists (ii) Availability is <25% of the Loan Cap for 5 consecutive Business Days or (iii) Availability is <20% of the Loan Cap for 1 day)	Currently	#DIV/01

The undersigned, a Responsible Officer (as defined in the Credit Agreement referred to below) of Sportsman's Warehouse, Inc. (the "Lead Borrower") represents and warrants that (A) the information set forth above and the supporting documentation and information delivered herewith (i) is true and correct in all respects (ii) has been prepared in accordance with the requirements of that certain Credit Agreement dated May 28, 2010 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by among others (1) the Lead Borrower, as agent for itself and the other Borrowers party thereto, (2) the Lenders party thereto, and (3) Wells Fargo Bank National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent and Collateral Agent (in such capacities, the "Agent"), and (A) is based on supporting documentation that is satisfactory to the Agent and (B) no Default or Event of Default (as such terms are defined in the Credit Agreement) has occurred and is continuing.

Responsible Officer

July 8, 2013

Sportsman's Warehouse, Inc.
7035 South High Tech Drive
Midvale, Utah 84047

Ladies and Gentlemen:

Reference is hereby made to that certain Credit Agreement dated as of May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as agent for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto, (iv) the Lenders from time to time party thereto, and (v) WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor by merger to Wells Fargo Retail Finance, LLC), in its capacity as administrative agent (in such capacity herein, the "Administrative Agent"), collateral agent and swing line lender. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$15,000,000 (the "Increase") in the aggregate on the date hereof (the "Increase Effective Date"). Attached hereto as Exhibit A is a certificate of each Loan Party dated as of the Increase Effective Date signed by a Responsible Officer of such Loan Party and making the certifications set forth in Section 2.15(e) of the Credit Agreement. Attached hereto as Exhibit B is a revised Schedule 2.01 to the Credit Agreement setting forth the Commitments and Applicable Percentages of the Lenders after giving effect to the Increase. The Loan Parties hereby acknowledge and agree that, upon giving effect to the Increase, the aggregate amount of additional increases to the Aggregate Commitments available to be requested under Section 2.15 of the Credit Agreement after the Increase Effective Date is \$0.

As consideration for the Lenders' agreement to provide the Increase, on the Increase Effective Date, the Borrowers hereby agree to pay to the Administrative Agent, for the ratable benefit of the Lenders, a commitment increase fee (the "Increase Fee") in an amount equal to \$15,000. The Increase Fee constitutes compensation for services rendered and does not constitute interest or a charge for the use of money. The Increase Fee shall (i) be fully earned when due, (ii) not be subject to refund or rebate under any circumstances, (iii) be paid in immediately available funds, and (iv) not be subject to reduction by way of setoff or counterclaim.

The Loan Parties agree to keep the provisions of the immediately preceding paragraph confidential and, except as may be otherwise required by applicable securities laws, not to disclose same to any other Person (including, without limitation, any proposed or actual lender or participant in the credit facility), other than the Loan Parties' respective directors, officers, counsel and other advisors, each of whom agree to abide by these confidentiality provisions, without the Administrative Agent's prior written consent.

The parties hereto acknowledge and agree that (i) this letter agreement (this "Agreement") shall constitute a Loan Document for all purposes, and (ii) this Agreement is a supplement to, and shall not constitute an amendment to or novation of, the Fee Letter, which Fee Letter remains in full force and effect.

This Agreement shall be governed by and construed in accordance with, the laws of the State of New York.

This Agreement is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any Person other than the parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission (including .pdf) shall be effective as delivery of a manually executed counterpart hereof.

Except as expressly set forth above, all terms and conditions of the Credit Agreement and the other Loan Documents remain in full force and effect.

[remainder of page intentionally left blank]

Please indicate your agreement with the terms of this Agreement by signing below. This Agreement is intended to take effect as a sealed instrument.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Administrative Agent

By: /s/ Peter Foley

Name: Peter Foley

Title: Director Duly Authorized Signatory

Signature Page – Side Letter regarding Increase to Aggregate Commitments

Acknowledged and Agreed:

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, as
Lead Borrower and as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP., a Minnesota
corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited
liability company, as a Borrower

By: Sportsman's Warehouse, Inc., its Sole Member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah
corporation, as a Guarantor

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page – Side Letter regarding Increase to Aggregate Commitments

EXHIBIT A
Certificate

[See Attached]

OFFICER'S CERTIFICATE

July 8, 2013

Reference is hereby made to that certain Credit Agreement dated as of May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as agent for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto, (iv) the Lenders from time to time party thereto, and (v) WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor by merger to Wells Fargo Retail Finance, LLC), in its capacity as administrative agent (in such capacity herein, the "Administrative Agent"), collateral agent and swing line lender. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

The Lead Borrower has requested that the Aggregate Commitments be increased by an amount equal to \$15,000,000 (the "Increase") on the date hereof (the "Increase Effective Date"). Pursuant to Section 2.15 of the Credit Agreement, the undersigned, in his capacity as a Responsible Officer of each Loan Party and not in any individual capacity, hereby certifies in connection with the Increase, on behalf of each Loan Party, to the Administrative Agent as follows:

- (a) Attached hereto as Exhibit A are resolutions adopted by each Loan Party approving the Increase, which the undersigned hereby certifies are complete and correct and have not been rescinded or revoked as of the date hereof;
- (b) Both before and after giving effect to the Increase, the representations and warranties contained in Article V of the Credit Agreement and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Credit Agreement.
- (c) Both before and after giving effect to the Increase, no Default or Event of Default exists or would arise therefrom.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Responsible Officer of each of the Loan Parties has duly executed this Officer's Certificate as of the date above first written.

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, as
Lead Borrower and as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP., a Minnesota
corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited
liability company, as a Borrower

By: Sportsman's Warehouse, Inc., its Sole Member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah
corporation, as a Guarantor

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

**EXHIBIT A
RESOLUTIONS**

[See Attached]

EXHIBIT A
SPORTSMAN'S WAREHOUSE, INC.
RESOLUTIONS

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Pacific Flyway Wholesale, LLC ("PFW"), Sportsman's Warehouse Southwest, Inc. ("SWS"), and Minnesota Merchandising Corp. ("MMC", and collectively with the Company, PFW and SWS, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$15,000,000 ("Increase") in the aggregate on July 1, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$15,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the

Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

EXHIBIT A
SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.
RESOLUTIONS

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Pacific Flyway Wholesale, LLC ("PFW"), Sportsman's Warehouse, Inc. ("SWI"), and Minnesota Merchandising Corp. ("MMC", and collectively with the Company, PEW and SWI, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$15,000,000 ("Increase") in the aggregate on July 1, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$15,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required, by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the

Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

**EXHIBIT A
MINNESOTA MERCHANDISING CORP.
RESOLUTIONS**

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Pacific Flyway Wholesale, LLC ("PFW"), Sportsman's Warehouse, Inc. ("SWI"), and Sportsman's Warehouse Southwest, Inc. ("SWS", and collectively with the Company, PFW and SWI, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$15,000,000 ("Increase") in the aggregate on July 1, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$15,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in, connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the

Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

EXHIBIT A
PACIFIC FLYWAY WHOLESALE, LLC
RESOLUTIONS

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Minnesota Merchandising Corp. ("MMC"), Sportsman's Warehouse, Inc. ("SWI"), and Sportsman's Warehouse Southwest, Inc. ("SWS", and collectively with the Company, MMC and SWI, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$15,000,000 ("Increase") in the aggregate on July 1, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$15,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such faun and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in, full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

EXHIBIT A
SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
RESOLUTIONS

WHEREAS, the Company is a Guarantor of the obligations of the Borrowers (defined below) pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), Sportsman's Warehouse, Inc. ("SWI"), Pacific Flyway Wholesale, LLC ("PFW"), Minnesota Merchandising Corp. ("MMC"), and Sportsman's Warehouse Southwest, Inc. ("SWS", and collectively with SWI, PFW and SWS, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$15,000,000 ("Increase") in the aggregate on July 1, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$15,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent, Borrowers, and the Company ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board

of Directors of the Company and, in the event of such revocation, any officer of the Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

EXHIBIT B
Schedule 2.01

Commitments and Applicable Percentages

<u>Lender</u>	<u>Commitment</u>	<u>Pro Rata Share</u>
Wells Fargo Bank, National Association	\$75,000,000.00	100%
TOTAL	\$75,000,000.00	100%

THIRD AMENDMENT TO CREDIT AGREEMENT

This Third Amendment to Credit Agreement (this "Amendment") is made as of August 20, 2013, by and among:

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (the "Lead Borrower");

the Persons named on Schedule I hereto (together with the Lead Borrower, individually, a "Borrower", and collectively, the "Borrowers");

the Persons named on Schedule II hereto (individually, a "Guarantor", and collectively, the "Guarantors", and together with the Borrowers, individually, a "Loan Party", and collectively, the "Loan Parties");

the LENDERS party hereto; and

WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent, and Swing Line Lender;

in consideration of the mutual covenants herein contained and benefits to be derived herefrom.

WITNESSETH:

WHEREAS, reference is made to that certain Credit Agreement, dated as of May 28, 2010 (as amended, restated, supplemented or otherwise modified and in effect from time to time, the "Credit Agreement"), by and among the Loan Parties, the Lenders party thereto from time to time, and Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender;

WHEREAS, the parties hereto have agreed to amend certain provisions of the Credit Agreement as set forth herein.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Defined Terms. Capitalized terms used in this Amendment shall have the respective meanings assigned to such terms in Credit Agreement unless otherwise defined herein.
2. Amendments to Article I of Credit Agreement. The provisions of Article I of the Credit Agreement are hereby amended as follows:
 - (a) By deleting the definition of "Aggregate Commitments" in its entirety therefrom and substituting in its stead the following new definition:
"Aggregate Commitments" means the Commitments of all the Lenders. As of the Third Amendment Effective Date, the Aggregate Commitments are \$75,000,000.

- (b) By amending the definition of “Credit Card Receivables” therein by deleting the phrase “each “Account” (as defined in the UCC)” therefrom and substituting in its stead the phrase “each “Account” and each “Payment Intangible” (each as defined in the UCC)”.
- (c) By deleting the definition of “Disqualified Stock” in its entirety therefrom and substituting in its stead the following new definition:
- “Disqualified Stock” means any Equity Interest that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder thereof), or upon the happening of any event, (a) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, or is convertible into or exchangeable for debt securities or any Equity Interest described in this clause (a), in each case, in whole or in part and on or prior to the date that is 91 days after the date on which the Loans mature, or (b) has the benefit of any covenants that restrict the payment of the Obligations or that are debt-multiple or income-multiple based (i.e., financial covenants); provided, however, that (i) only the portion of such Equity Interests which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date shall be deemed to be Disqualified Stock and (ii) with respect to any Equity Interests issued to any employee or to any plan for the benefit of employees of the Lead Borrower or its Subsidiaries or by any such plan to such employees, such Equity Interest shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Lead Borrower or one of its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee’s termination, resignation, death or disability and if any class of Equity Interest of such Person that by its terms authorizes such Person to satisfy its obligations thereunder by delivery of an Equity Interest that is not Disqualified Stock, such Equity Interests shall not be deemed to be Disqualified Stock. Notwithstanding the preceding sentence, any Equity Interest that would constitute Disqualified Stock solely because the holders thereof have the right to require a Loan Party to repurchase such Equity Interest upon the occurrence of a change of control or an asset sale shall not constitute Disqualified Stock. The amount of Disqualified Stock deemed to be outstanding at any time for purposes of this Agreement will be the maximum amount that the Lead Borrower and its Subsidiaries may become obligated to pay upon maturity of, or pursuant to any mandatory redemption provisions of, such Disqualified Stock or portion thereof, plus accrued dividends.
- (d) By deleting the definition of “Fee Letter” in its entirety therefrom and substituting in its stead the following new definition:

“Fee Letter” means, collectively, (i) the letter agreement, dated May 28, 2010, among the Lead Borrower and the Administrative Agent, (ii) the letter agreement, dated October 27, 2011, by and among the Borrowers and the Administrative Agent, and (iii) the Third Amendment Fee Letter.

- (e) By amending the definition of “Indebtedness” therein by deleting clause (f) thereof in its entirety and substituting the following new clause (f) in its stead:
- (f) all obligations of such Person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business and, in each case, not past due for more than 60 days after the date on which such trade account payable was created), including, without limitation, all obligations of such Person in respect of earn-out or similar performance-based deferred purchase price arrangements;
- (f) By deleting the definition of “Letter of Credit Expiration Date” in its entirety therefrom and substituting in its stead the following new definition: “Letter of Credit Expiration Date” means the day that is seven days prior to the Maturity Date then in effect (or, if such day is not a Business Day, the next preceding Business Day).
- (g) By amending the definition of “Material Adverse Effect” therein by deleting clause (c) thereof in its entirety and substituting the following new clause (c) in its stead:
- (c) a material impairment of the rights and remedies of or benefits available to any Agent or the Lenders under any Loan Document, or a material adverse effect on (x) the Collateral, (y) the validity, perfection or priority of any Lien granted by any Loan Party in favor of any Agent on any material portion of the Collateral, or (z) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party.
- (h) By deleting the definition of “Maturity Date” in its entirety therefrom and substituting in its stead the following new definition: “Maturity Date” means August 20, 2018.
- (i) By amending the definition of “Obligations” therein by adding the following new proviso at the end thereof: ; provided, that the Obligations shall not include any Excluded Swap Obligations.
- (j) By amending the definition of “Permitted Indebtedness” therein as follows:

- (i) By amending clause (a) thereof by deleting the phrase “Second Amendment Effective Date” therefrom and substituting in its stead the phrase “Third Amendment Effective Date”;
- (ii) By deleting clause (j) in its entirety therefrom and substituting in its stead the following new clause (j):
 - (j) Indebtedness of Parent and its Subsidiaries incurred under the Term Documents (and any Permitted Refinancing Indebtedness in respect thereof) in an aggregate principal amount not to exceed (i) \$235,000,000 (plus, if the increase option provided for in Section 2.22 of the Term Credit Agreement (as in effect as of the Third Amendment Effective Date) is exercised with respect to any portion of the Incremental Term Loan Commitments (as defined in the Term Credit Agreement as in effect as of the Third Amendment Effective Date) in accordance with the terms of such Section, the sum of all Incremental Term Loans made in accordance with the terms of such Section in connection with such exercise of increase option) minus (ii) the sum of all principal payments of the Term Loans;
- (k) By amending the definitions of each of “Intercreditor Agreement”, “Mandatory Term Loan Prepayments”, “Permitted Encumbrances”, “Permitted Investments”, “Term Credit Agreement”, “Term Documents”, “Term Loans”, “Term Obligations”, “Term Loan Priority Account” and “Term Priority Collateral” by deleting each reference to the phrase “Second Amendment Effective Date” set forth therein and substituting in its stead the phrase “Third Amendment Effective Date”.
- (l) By adding the following new definitions thereto in appropriate alphabetical order:
 - “Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.
 - “Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, all or a portion of the Guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, such Swap Obligation (or any Guarantee thereof) is or becomes illegal 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) by virtue of such Guarantor’s failure for any reason to constitute an “eligible contract participant” as defined in the Commodity Exchange Act and the regulations thereunder at the time the Guarantee of such Guarantor or the grant of such security interest becomes effective with respect 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 Guarantee or security interest is or becomes illegal.

“Third Amendment Fee Letter” means the letter agreement, dated August 20, 2013, by and among the Borrowers and the Administrative Agent.

“Qualified ECP Guarantor” means, in respect of any Swap Obligation, each Loan Party that has total assets exceeding \$10,000,000 at the time the relevant Guarantee or grant of the relevant security interest becomes effective with respect to such Swap Obligation or such other person as constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder and can cause another person to qualify as an “eligible contract participant” at such time by entering into a keepwell under Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Swap Obligation” means, with respect to any Guarantor, any obligation to pay or perform under any agreement, contract or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Third Amendment Effective Date” means August 20, 2013.

3. Amendment to Article II of Credit Agreement. The provisions of Article II of the Credit Agreement are hereby amended by deleting the first sentence of Section 2.15(a) thereof and substituting in its stead the following new sentence:

Provided no Default then exists or would arise therefrom, upon notice to the Administrative Agent (which shall promptly notify the Lenders), the Lead Borrower may from time to time following the Third Amendment Effective Date, request increases in the Aggregate Commitments by a total amount not exceeding \$30,000,000.

4. Amendments to Article V of Credit Agreement. The provisions of Article V of the Credit Agreement are hereby amended by as follows:

- (a) By amending the provisions of Section 5.21 thereof by deleting the phrase “Closing Date” from clause (a) thereof and substituting in its stead the phrase “Third Amendment Effective Date”; and
- (b) By deleting each reference to the phrase “Second Amendment Effective Date” set forth in Sections 5.01, 5.08, 5.10, 5.21, and 5.24 thereof and substituting in its stead the phrase “Third Amendment Effective Date”.

5. Amendments to Article VI of Credit Agreement. The provisions of Article VI of the Credit Agreement are hereby amended as follows:

- (a) By amending the provisions of Section 6.03 thereof as follows:
 - (i) by adding the phrase “, or notice in respect of” immediately following the phrase “consent to” in clause (j)(i) thereof; and
 - (ii) by adding the following new sentence at the end thereof: “Each notice pursuant to Section 6.03(k) shall describe with particularity any and all provisions of the Term Documents that have been breached and the corrective action (if any) taken or proposed to be taken with respect thereto.”
- (b) By amending the provisions of Section 6.13 thereof by deleting the phrase “Second Amendment Effective Date” from clause (a) thereof and substituting in its stead the phrase “Third Amendment Effective Date”.
- (c) By amending the provisions of Section 6.17 thereof by adding the following new clause (f) at the end thereof:
 - (f) If the Term Agent or any other secured party under the Term Documents receives any additional collateral, guaranty or other credit enhancement of any type after the date hereof, the Loan Parties will cause the same to be granted to the Collateral Agent for the benefit of the Credit Parties (in accordance with the Intercreditor Agreement).

6. Amendment to Article VII of Credit Agreement. The provisions of Article VII of the Credit Agreement are hereby amended as follows:

- (a) By deleting the provisions of Section 7.03 in their entirety therefrom and substituting in their stead the following new Section 7.03:

7.03 Indebtedness. (a) Create, incur, assume, guarantee, suffer to exist or otherwise become or remain liable with respect to, any Indebtedness, except Permitted Indebtedness, (b) without limiting the provisions of clause (a) above, create, incur, assume, guarantee, suffer to exist or otherwise become or remain liable with respect to any Indebtedness (other than the Obligations) that is subordinated or junior in right of payment to any other Indebtedness of the Loan Parties, unless such Indebtedness is also subordinated or junior in right of payment, in the same manner and to the same extent, to the Obligations, or (c) issue Disqualified Stock.
- (b) By deleting clause (d) from Section 7.06 thereof and substituting in its stead the following new clause (d):

(d) (i) on or before November 15, 2012, the Parent may declare or pay cash dividends to its stockholders in an aggregate amount not to exceed \$100,000,000, provided that the payment of such dividend shall be made solely with proceeds of the Term Loan and the Loan Parties' cash on hand prior to the Second Amendment Effective Date, and not, for the avoidance of doubt, with the proceeds of any Credit Extensions; and (ii) on or before August 22, 2013, the Parent may declare or pay cash dividends to its stockholders in an aggregate amount not to exceed \$101,100,000, provided that the payment of such dividend shall be made solely with proceeds of the Term Loan and the Loan Parties' cash on hand prior to the Third Amendment Effective Date, and not, for the avoidance of doubt, with the proceeds of any Credit Extensions;

(c) By amending the provisions of Section 7.07 thereof by deleting the phrase "Second Amendment Effective Date" from clause (b) thereof and substituting in its stead the phrase "Third Amendment Effective Date".

7. Amendment to Article X of Credit Agreement. The provisions of Article X of the Credit Agreement are hereby amended by adding the following new Section 10.25 at the end thereof:

10.25 Keepwell. Each Qualified ECP Guarantor hereby jointly and severally absolutely, unconditionally and irrevocably undertakes to provide such funds or other support as may be needed from time to time by each other Loan Party to honor all of its obligations under the Facility Guaranty in respect of Swap Obligations (provided, however, that each Qualified ECP Guarantor shall only be liable under this Section 10.25 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 10.25, or otherwise under the Facility Guaranty, voidable under applicable Law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Qualified ECP Guarantor under this Section shall remain in full force and effect until payment in full of the Obligations. Each Qualified ECP Guarantor intends that this Section 10.25 constitute, and this Section 10.25 shall be deemed to constitute, a "keepwell, support, or other agreement" for the benefit of each other Loan Party for all purposes of Section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

8. Schedules to Credit Agreement. Each of the following schedules to the Credit Agreement is hereby amended by deleting such schedule in its entirety and restating it in its entirety in the form of the corresponding schedule in Exhibit A attached hereto: Schedules 2.01, 5.05, 5.06, 5.07, 5.08(b)(1), 5.08(b)(2), 5.09, 5.10, 5.13, 5.17, 5.18, 5.21(a), 5.21(b), 5.24, 7.01, 7.02 and 7.03.

9. Amendments to Security Agreement. The Security Agreement is hereby amended as follows:

- (a) By amending the definition of “Perfection Certificate” set forth therein by deleting the phrase “the date hereof” therefrom and substituting in its stead the phrase “the Third Amendment Effective Date”.
 - (b) By adding the following new sentence at the end of the definition of “Secured Obligations” set forth therein:
Notwithstanding the foregoing, with respect to any Guarantor, the term “Secured Obligations” shall exclude any Excluded Swap Obligations with respect to such Guarantor.
 - (c) By deleting each reference to the phrase “Second Amendment Effective Date” set forth in Section 6.2 thereof and substituting in its stead the phrase “Third Amendment Effective Date”.
 - (d) By deleting each of the Schedules thereto in its entirety and substituting in its stead the corresponding Schedules annexed hereto as Exhibit B.
10. Amendment to Facility Guaranty. The Security Agreement is hereby amended by adding the following new sentence at the end of the definition of “Guaranteed Obligations” set forth therein:
Notwithstanding the foregoing, with respect to any Guarantor, the term “Guaranteed Obligations” shall exclude any Excluded Swap Obligations with respect to such Guarantor.
11. Ratification of Loan Documents. Except as otherwise expressly provided herein, all terms and conditions of the Credit Agreement, the Security Agreement, the Facility Guaranty and the other Loan Documents remain in full force and effect. The Loan Parties hereby ratify, confirm, and reaffirm that all representations and warranties of the Loan Parties contained in the Credit Agreement, the Security Agreement and each other Loan Document are true and correct in all material respects on and as of the date hereof, except to the extent that (x) such representations and warranties specifically refer to an earlier date, in which case they are true and correct in all material respects on and as of such earlier date, or (y) such representations and warranties are subject to “materiality” or “Material Adverse Effect” or similar language, in which case they are true and correct in all respects. The Guarantors hereby acknowledge, confirm and agree that the Guaranteed Obligations of the Guarantors under, and as defined in, the Facility Guaranty include, without limitation, all Obligations of the Loan Parties at any time and from time to time outstanding under the Credit Agreement and the other Loan Documents, as such Obligations have been amended pursuant to this Amendment. The Loan Parties hereby acknowledge, confirm and agree that the Security Documents and any and all Collateral previously pledged to the Collateral Agent, for the benefit of the Credit Parties, pursuant thereto, shall continue to secure all applicable Obligations of the Loan Parties at any time

and from time to time outstanding under the Credit Agreement and the other Loan Documents.

12. Conditions to Effectiveness. This Amendment shall not be effective until each of the following conditions precedent has been fulfilled to the reasonable satisfaction of the Administrative Agent:

- (a) The Administrative Agent shall have received counterparts of this Amendment duly executed and delivered by each of the parties hereto.
- (b) All action on the part of the Loan Parties necessary for the valid execution, delivery and performance by the Loan Parties of this Amendment and the documents, instruments and agreements to be executed in connection herewith shall have been duly and effectively taken and evidence thereof reasonably satisfactory to the Administrative Agent shall have been provided to the Administrative Agent.
- (c) (i) The Term Loan Agreement shall have been entered into and shall be in form and substance satisfactory to the Administrative Agent, and contemporaneously herewith, the Borrowers shall have received at least \$235,000,000 of gross proceeds from the term loan made pursuant to the Term Loan Agreement, (ii) a Responsible Officer of the Lead Borrower shall have delivered a certificate to the Administrative Agent, in form and substance satisfactory to the Administrative Agent, which certificate shall attach the Term Loan Agreement, any related documents and all other Term Documents and certify that such documents are true, correct and complete copies of all Term Documents, and (iii) the Term Loan Agreement shall be in full force and effect and no "Default" or "Event of Default" (each as defined in the Term Loan Agreement) shall exist, or would result from the consummation of the transactions hereunder.
- (d) All obligations and indebtedness in respect of the Term Documents (as defined in the Credit Agreement as in effect immediately prior to the Third Amendment Effective Date) shall be repaid and satisfied in full (or shall be repaid and satisfied in full on the Third Amendment Effective Date), including, without limitation, the termination of all outstanding commitments in effect under such Term Documents, on terms and conditions and pursuant to documentation reasonably satisfactory to the Administrative Agent. All Liens and guarantees in respect of such obligations shall have been terminated and released (or will, on the Third Amendment Effective Date, be terminated and released), and the Administrative Agent shall have received evidence thereof reasonably satisfactory to the Administrative Agent and a "pay-off" letter reasonably satisfactory to the Administrative Agent with respect to such obligations and such UCC termination statements, control agreement terminations and other instruments and documents, in each case in proper form for recording, as the Administrative Agent shall have

reasonably requested to release and terminate of record the Liens securing such obligations (or arrangements for such release and termination reasonably satisfactory to the Administrative Agent shall have been made).

- (e) The Intercreditor Agreement shall have been duly executed by all parties thereto and delivered to the Administrative Agent, and shall be in form and substance satisfactory to the Administrative Agent.
- (f) The Administrative Agent shall have received, in form and substance reasonably satisfactory to the Administrative Agent and duly executed by the applicable Loan Parties, a short-form grant of security interest with respect to certain Trademarks (as defined in the Security Agreement) described therein.
- (g) The Administrative Agent shall have received favorable opinions of Winston & Strawn LLP, counsel to the Loan Parties, Ray, Quinney & Nebeker, special Utah counsel to the Loan Parties, and Lindquist & Vennum LLP, special Minnesota counsel to the Loan Parties, in each case addressed to the Administrative Agent and each other Credit Party, as to such matters concerning the Loan Parties, this Amendment and the other Loan Documents as the Administrative Agent may reasonably request.
- (h) The Loan Parties shall have paid in full all reasonable costs and expenses of the Agents (including, without limitation, reasonable attorneys' fees) in connection with the preparation, negotiation, execution and delivery of this Amendment and related documents.
- (i) No Default or Event of Default shall have occurred and be continuing.
- (j) No "Default" or "Event of Default" (each as defined in the Term Credit Agreement) shall have occurred and be continuing.
- (k) The Administrative Agent shall have received such additional documents, instruments, and agreements as any Agent may reasonably request in connection with the transactions contemplated hereby.

13. Post-Third Amendment Effective Date Covenants. The Loan Parties hereby covenant and agree as follows:

- (a) Within thirty (30) days after the Third Amendment Effective Date, the Loan Parties shall deliver to the Agents (i) certificates of insurance and (ii) endorsements in favor of the Collateral Agent evidencing that all insurance required to be maintained pursuant to Section 6.07 of the Credit Agreement has been obtained and is in effect.

- (b) Within thirty (30) days after the Third Amendment Effective Date, the Loan Parties shall deliver to the Collateral Agent such Blocked Account Agreements and Securities Account Control Agreements as may be reasonably required by the Collateral Agent, together with evidence of termination of all Liens in favor of the Term Agent (as defined in the Credit Agreement as in effect immediately prior to the Third Amendment Effective Date) with respect to DDAs and Securities Accounts, in each as in form and substance reasonably satisfactory to the Collateral Agent and duly executed by the parties thereto.

The Loan Parties acknowledge and agree that the failure to comply with any of the covenants set forth in this Section 13 shall constitute an immediate Event of Default pursuant to Section 8.01(b) of the Credit Agreement.

14. Representations and Warranties.

- (a) The execution, delivery and performance by each Loan Party of this Amendment and the performance of each Loan Party's obligations hereunder have been duly authorized by all necessary corporate or other organizational action, do not and shall not: (i) contravene the terms of any of such Person's Organization Documents; (ii) conflict with or result in any breach, termination, or contravention of, or constitute a default under, or require any payment to be made under (x) any Material Contract or any Material Indebtedness to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries, or (y) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; (iii) result in or require the creation of any Lien upon any asset of any Loan Party (other than Liens in favor of the Collateral Agent under the Security Documents); or (iv) violate any Law.
- (b) This Amendment has been duly executed and delivered by each Loan Party. This Amendment constitutes a legal, valid and binding obligation of each Loan Party, enforceable against each Loan Party in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.
- (c) After giving effect to the transactions contemplated by this Amendment and the Term Documents (including, without limitation, the making of the Restricted Payment described in Section 7.06(d)(ii) of the Credit Agreement), the Loan Parties, on a Consolidated basis, are and will be Solvent. No transfer of property has been or will be made by any Loan Party and no obligation has been or will be incurred by any Loan Party in connection with the transactions contemplated by this Amendment or the other Loan Documents with the intent to hinder, delay, or defraud either present or future creditors of any Loan Party.

- (d) There has been no event or circumstance since February 2, 2013 that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (e) No consents, licenses or approvals are required in connection with the execution, delivery and performance by any Loan Party, and the validity against such Loan Party, of this Amendment or any other Loan Document to which it is a party.
- (f) No Default or Event of Default has occurred and is continuing.
- (g) No "Default" or "Event of Default" (each as defined in the Term Credit Agreement) has occurred and be continuing.

15. Miscellaneous.

- (a) Each of the Loan Parties hereby acknowledges and agrees that it has no offsets, defenses, claims, or counterclaims against the Agents, the other Credit Parties, or their respective parents, affiliates, predecessors, successors, or assigns, or their officers, directors, employees, attorneys, or representatives, with respect to the Obligations, and that if any of the Loan Parties now has, or ever did have, any offsets, defenses, claims, or counterclaims against such Persons, whether known or unknown, at law or in equity, from the beginning of the world through this date and through the time of execution of this Amendment, all of them are hereby expressly WAIVED, and each of the Loan Parties hereby RELEASES such Persons from any liability therefor.
- (b) This Amendment may be executed in several counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Amendment by telecopy or other electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.
- (c) This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. No prior negotiations or discussions shall limit, modify, or otherwise affect the provisions hereof.
- (d) If any provision of this Amendment is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Amendment shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as

possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

- (e) The Loan Parties represent and warrant that they have consulted with independent legal counsel of their selection in connection with this Amendment and are not relying on any representations or warranties of the Agents or the other Credit Parties or their respective counsel in entering into this Amendment.
- (f) This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have hereunto caused this Amendment to be executed and their seals to be hereto affixed as of the date first above written.

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, as
Lead Borrower and as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP., a Minnesota
corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited
liability company, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page to Third Amendment to Credit Agreement

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah
corporation, as a Guarantor

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

Signature Page to Third Amendment to Credit Agreement

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
successor by merger to Wells Fargo Retail Finance, LLC), as
Administrative Agent, Collateral Agent, Lender and Swing
Line Lender

By: /s/ Peter A. Foley

Name: Peter A. Foley

Title: Duly Authorized Signatory

Signature Page to Third Amendment to Credit Agreement

Schedule I

Borrowers other than the Lead Borrower

Sportsman's Warehouse Southwest, Inc.
Minnesota Merchandising Corp.
Pacific Flyway Wholesale, LLC

Schedule II

Guarantors

Sportsman's Warehouse Holdings, Inc.

Exhibit A

Updated Schedules to Credit Agreement

[see attached]

SCHEDULE 2.01

Commitments and Applicable Percentages

<u>Lender</u>	<u>Commitment</u>	<u>Applicable Percentage</u>
Wells Fargo Bank, National Association	\$75,000,000	100%
TOTAL	<u>\$75,000,000</u>	<u>100%</u>

Disclosure Schedule 5.05

Material Indebtedness

None.

Litigation

None.

Disclosure Schedule 5.07

Default

None.

Disclosure Schedule 5.08(b)(1)

Owned Real Estate

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Type of Location</u>	<u>Existing Liens on Property</u>
Sportsman's Warehouse, Inc.	41 W. 84th Avenue, Thornton, Colorado 80260	Adams	Outparcel1	None

1 The estimated market value of this property is \$376,768.

Disclosure Schedule 5.08(b)(2)

Leased Real Estate

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	1750 South Greenfield Rd., Mesa, AZ 85206-3481	Maricopa	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	19205 North 27th Ave., Phoenix, AZ 85027	Maricopa	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	1675 Rocky Mountain Ave., Loveland, CO 80538	Larimer	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	11 West 84th Ave, Thornton, CO 80260	Adams	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	921 SE Oralabor Rd., Ankeny, IA 50021	Polk	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com
Sportsman's Warehouse, Inc.	165 West 7200 South, Midvale, UT 84047	Salt Lake	Spirit SPE Portfolio 2012-4, LLC (DE LLC) 14631 N. Scottsdale Road, Suite 200 Scottsdale, AZ 85254-2711 Attn: Compliance Department Telecopy: (480) 606-0826 Email: compliance@spiritrealty.com

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	8681 Old Seward Highway, Anchorage, AK 99515	Municipality of Anchorage	ANC Dimond LLC and ANC Hawkins LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	423 Merhar Avenue, Fairbanks, AK 99701-3166	Fairbanks North Star Borough	Aurora Center LLC, Cascade I, LLC and Cornell III, LLC c/o Elliott Associates 901 NE Glisan Street Portland, OR 97232
Sportsman's Warehouse, Inc.	44402 Sterling Highway, Soldotna, AK 99669-8033	Kenai Peninsula Borough	SXQ Company, LLC c/o Penco Properties Attn: Henry Penney 3620 Penland Parkway Anchorage, AK 99508 Phone: (907) 276-2222
Sportsman's Warehouse, Inc.	1901 East Parks Highway, Wasilla, AK 99654	Matanuska-Susitna Borough	G&M Wasilla LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	3945 West Costco Drive, Marana (Tucson), AZ 85741	Pima	HCO Marana LLC (ID LLC), GRH Marana LLC and KFG Holdings LLC c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse Southwest, Inc.	1659 Hilltop Drive, Redding, CA 96002-0240	Shasta	LEJ Properties, LLC 11400 W. Olympic Blvd., Suite 330 Los Angeles, CA 90064
Sportsman's Warehouse Southwest, Inc. (an assignee of Sportsman's Warehouse, Inc.)	6640 Lonetree Blvd., Rocklin, CA 95765	Placer	MGP X Properties LLC 425 California St., 11 th Floor, San Francisco, CA 94104
Sportsman's Warehouse, Inc.	555 North Chelton Road, Colorado Springs, CO 80909- 5217	El Paso	MMP Citadel, LLC (a Delaware LLC) MMP Citadel, LLC 5571 Bleaux Avenue Springdale, AR 72762
Sportsman's Warehouse, Inc.	2464 US Highway 6 & 50, Suite A, Grand Junction, CO 81505	Mesa	Grand Mesa Center, L.L.C. (DE LLC) c/o THF Realty, Inc. 2127 Innerbelt Business Center Drive Suite 200 St. Louis MO 63114 Attn: Lease Administration
Sportsman's Warehouse, Inc.	2909 South 25th East, Idaho Falls, ID 83405	Bonneville	William H. Ziering P.O. Box 8435 15611 Via De Santa Fe Rancho Santa Fe, CA 92067

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	2002 Thain Grade, Lewiston, ID, 83501-4105	Nez Perce	McCann Ranch & Livestock Co. Attn: William V. McCann, Jr., President 1027 Bryden Avenue Lewiston, Idaho 83501 Telephone: (208) 743-5517
Sportsman's Warehouse, Inc.	3797 East Fairview Avenue, Meridian, ID 83642	Ada	GS II Meridian Crossroads LLC C/O DDR New Business Development, Department 20236, PO Box 931256, Cleveland, OH 44122
Sportsman's Warehouse, Inc.	16865 North Market Place Blvd., Nampa, ID 83687	Canyon	Trade Zone Associates (CA LLP), Mabury Village (CA GP) 595 Millich Drive, Suite 103 Campbell CA 95008 Attn: Joel Rubnitz Phone: (408) 871-8722 Fax: (408) 374-5953
Sportsman's Warehouse, Inc.	1940 Bridgeview Blvd., Twin Falls, ID 83301	Twin Falls	Base Jumper LLC C/O Woodbury Corporation 2733 e. Parleys Way, Suite 300 Salt Lake City, UT 84109-1662
Sportsman's Warehouse, Inc.	2200 War Admiral Way, Suite 140, Lexington, KY 40509	Lexington-Fayette	War Admiral Place, LLC (KY LLC) 2527 Sir Barton Way Lexington, KY 40509
Sportsman's Warehouse, Inc.	130 Marathon Way, Southaven, MS 38671	De Soto	SW-MS, LLC Lucknow, LLC Nolin SW, LLC Attn: James Devincenti 1 Blackfield Drive, #112 Tiburon, CA 94920 Phone: (415) 625-2158 (office) Phone: (415) 516-3270 (cell)
Sportsman's Warehouse, Inc.	5647 Centennial Center Boulevard, Las Vegas, NV 89149-7104	Clark	Inland Diversified Las Vegas Centennial Gateway, L.L.C. 2901 Butterfield Road Oak Brook, IL 60523 800-426-4713
Sportsman's Warehouse, Inc.	3306 Kietzke Lane, Reno, NV 89502	Washoe	Kietzke Plaza LLC (WA LLC) Attn: Rob Rothe 3000 Northup Way Suite 101 Bellevue, WA 98004
Sportsman's Warehouse, Inc.	1450 Renaissance Blvd. NE, Albuquerque, NM 87107	Bernalillo	Kenneth Donald Knievel Administrative Agent 225 Sequoia Circle Windsor, CO 80550-5807
Sportsman's Warehouse, Inc.	4905 E. Main St., Farmington NM 87402-8657	San Juan	Hawkins-Smith & Christensen LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	1710 Delta Waters Road, Medford, OR 97504	Jackson	Crater Lake Venture, LLC (OR LLC) Attn: Sheila Roley, Property Manager 744 Cardley Avenue, Suite 100 Medford, OR 97504
Sportsman's Warehouse, Inc.	476 Piney Grove Road, Columbia, SC 29210	Richland	Boise Spectrum LLC (ID LLC), GRH Kaysville LLC (ID LLC) and MRH Venture Capital LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	6241 Perimeter Drive, Suite 101, Chattanooga, TN 37421	Hamilton	G&M Chattanooga (ID GP) and Slovis Chattanooga, LLC (TN LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	1075 South University Avenue, Provo, UT 84601	Utah	East Bay Center, LLC, (UT LLC) c/o Mike Kehoe PO Box 428 Lake Oswego, OR 97034
Sportsman's Warehouse, Inc.	7035 S. High Tech Drive, Suite 200 Midvale, UT 84047	Salt Lake	7037 South Warehouse LLC (UT LLC) Attn: Scott A. Nielsen 6371 South Vintage Oak Lane Salt Lake City, UT 84121
Sportsman's Warehouse, Inc.	1137 West Riverdale Road, Riverdale, UT 84405	Weber	DDR Riverdale South LLC c/o Developers Diversified Realty Corporation 3300 Enterprise Parkway Beachwood, OH 44122 Re: Account # 104873-20247-7076 Attn: Vice President-Leasing
Sportsman's Warehouse, Inc.	2957 East 850 North, St. George, UT 84790	Washington	Miller Properties St. George, LLC (ID LLC) Attn: Otto Miller 1395 Marsten Road Burlingame, CA 94010
Sportsman's Warehouse, Inc.	9669 South Prosperity Road, West Jordan, UT 84081	Salt Lake	KPFN Properties, L.C. The Ninigret Group, L.C. Manager 1700 South 4650 West Salt Lake City, UT 84104 Attn: Randolph G. Abood, Manager
Sportsman's Warehouse, Inc.	3550 Ferncliff Avenue N.W., Roanoke, VA 24017	Roanoke	MRH Venture Capital LLC (ID LLC) c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	120 31st Avenue SE, Suite G, Puyallup, WA 98374	Pierce	SHV Partners LLC C/O Echelbarger Company 22833 Bothell-Everett Highway 207 Bothell, WA 98021

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	4120 East 2nd Street, Casper, WY 82609-2319	Natrona	GRH Casper LLC MKJ Casper LLC c/o Hawkins Companies LLC Attn: Legal Department 855 Broad Street, Suite 300 Boise, ID 83702-7153
Sportsman's Warehouse, Inc.	3745 East Lincoln Way, Cheyenne, WY 82001	Laramie	SW Cheyenne, LLC Attn: Mike Stangl 90 East 7200 South, Suite 200 Midvale, UT 84047 Telephone: (801) 255-1222
Pacific Flyway Wholesale, LLC	1630 South 5070 West, Salt Lake City, UT 84104 1730 South 5200 West, Salt Lake City, UT 841042	Salt Lake	Natomas Meadows, LLC 1505 South Redwood Road P.O. Box 30076 Salt Lake City, UT 84130
Sportsman's Warehouse, Inc.	1443 South Carson Street, Carson City, NV 89701	Carson City	The Carrington Company Attn: Lease Administrator 627 H Street Eureka, CA 95501, 707-455-9601
Sportsman's Warehouse, Inc.	611 Valley Mall Parkway, East Wenatchee, WA 98801	Chelan	VCG-Wenatchee Valley Mall, LLC 11611 San Vicente Boulevard, 10th Floor Los Angeles, CA 90049
Sportsman's Warehouse, Inc.	18645 NW Tanasbourne Drive, Hillsboro, OR 97124-7129	Washington	Tanasbourne Retail Center, LLC and Tanasbourne Robinson & Sons, LLC Attn: Steve Biggi 3825 SW Hall Boulevard Beaverton, OR 97005 503-646-0230
Sportsman's Warehouse, Inc.	91 E 1400 N, Logan, Utah 84341	Cache	Black Sheep Land Company LLC c/o Woodbury Corporation 2733 Parleys Way, Suite 300 Salt Lake City, UT 84109 801-485-7770
Sportsman's Warehouse, Inc.	2214 Tschache Lane, Bozeman, Montana 59715	Gallatin	Stone Ridge Partners LLC c/o Hawkins Companies LLC 855 W. Broad St., Suite 300 Boise, ID 83702
Sportsman's Warehouse, Inc.	2990 N. Sanders Road, Helena, Montana 59601	Lewis and Clark	GRH Jenks LLC and JGH Helena LLC c/o Hawkins Companies LLC 855 W. Broad St., Suite 300 Boise, ID 83702

2 This location is for a powder bunker at the facility, which is part of the lease.

<u>Loan Party</u>	<u>Address/City/State/Zip Code</u>	<u>County</u>	<u>Current Landlord</u>
Sportsman's Warehouse, Inc.	2323 North Reserve Street, Missoula, Montana 59808	Missoula	Gateway Limited Partnership Attn: John H. Crowley 101 International Way P.O. Box 16630 Missoula, MT 59808
Sportsman's Warehouse, Inc.	63492 Hunnell Road, Bend, Oregon 97701	Deschutes	Cascade Blvd. Center LLC and Cornell II LLC 901 NE Glisan Street, Portland, OR 97232
Sportsman's Warehouse, Inc.	9401 East 82nd Avenue, Portland (Clackamas), Oregon 97222	Multnomah	Johnson Creek Station, Inc. 11501 Northlake Drive Cincinnati, OH 45249 513-554-1110
Sportsman's Warehouse, Inc.	1260 Lancaster Drive SE, Salem, Oregon 97317	Marion	H&F Investments, LLC c/o Hull Resources LP & O'Brien-Hull LP, Unit ID LMP- 069 P.O. Box 2448 Portland, OR 97208-2448 503-224-6791
Sportsman's Warehouse, Inc.	1405 S. 348th Street, Federal Way, Washington 98003	King	Tri-Mark - Federal Way Crossings LP c/o Trimark Petroleum, 406 Ellingson Road, Second Floor, Pacific, WA 98047 Fana Federal Way Crossings Limited Partnership, Sunray Federal Way Crossings, LLC, and Trinaf Federal Way Crossings LLC c/o Fana Group of Companies 10655 NE 4th Street, Suite 700 Bellevue, WA 98004
Sportsman's Warehouse, Inc.	6603 West Canal Drive, Kennewick, Washington 99336	Benton	SW Kennewick LLC C/O David H. Malcolm, Inc., Realtor Suite 100 1756 Lacassie Avenue Walnut Creek, CA 94596-7010
Sportsman's Warehouse, Inc.	9577 Ridgetop Blvd., N.W., Suite 150, Silverdale, Washington 98383	Kitsap	Alamo Silverdale, LLC C/O Alamo Group 3201 Danville Blvd., Suite 175 Alamo, CA 94507 925-838-0604
Sportsman's Warehouse, Inc.	11505 NE Fourth Plan Road, Vancouver, Washington 98662	Clark	Regency Centers, LP 5335 SW Meadows Road, Kruse II, Suite 295 Lake Oswego, OR 97035 503-603-4700

Loan Party

Address/City/State/Zip Code

County

Current Landlord

Sportsman's Warehouse, Inc.

Salt Lake

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Disclosure Schedule 5.09

Environmental Matters

None.

Disclosure Schedule 5.10

Insurance

Summary of insurance policies held by the Loan Parties:

Type	Policy #/Period	Limits	Deductible	Premiums
National Union Fire Insurance Co.	***	Agent: Diversified Insurance / Carpenter Moore		
Directors & Officers	4/1/13 - 4/1/14	***	***	
Employment Practices	4/1/13 - 4/1/14	***	***	
Third Party Discrimination	4/1/13 - 4/1/14	***	***	
Fiduciary	4/1/13 - 4/1/14	***	***	\$ ***
Federal Insurance Company	***	Agent: Diversified Insurance / Carpenter Moore		
D&O EPLI - Excess	4/1/13 - 4/1/14	***	N/A	\$ ***
Worker's Comp		Agent: Lockton Companies		
All other Locations- Berkshire Hathaway	***		Varies	\$ ***
CA Locations - Cypress Ins. Co.	***		Varies	\$ ***
OR Locations - Continental Divide Ins Co.	***		Varies	\$ ***
	11/1/12 - 11/1/13	(A) ***		

(A) ***.

GL, Property, Umbrella		Agent: Lockton Companies		
General Liability				
All other locations	***			\$ ***
California/Nevada Stores	***			\$ ***
Kentucky/Mississippi Stores	***			\$ ***
Alaska Stores	***		***	\$ ***
	11/1/12 - 11/1/13	***		

Property - Affiliated FM	11/1/12 - 11/1/13	***	***	\$ ***
			(Other Deductibles: ***)	

Umbrella - National Union Fire Ins of PA	11/1/12 - 11/1/13	***	***	\$ ***
XS Quake - QBE	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***		\$ ***
Auto - Depositors Ins Co	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	\$ ***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

<u>Type</u>	<u>Policy #/Period</u>	<u>Limits</u>	<u>Deductible</u>	<u>Premiums</u>
Ocean Cargo - Lloyds of London	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	***
Crime - National Union Fire of PA	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	***
Network Security - Network Security	***	Agent: Lockton Companies		
	11/1/12 - 11/1/13	***	***	***

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Disclosure Schedule 5.13

Subsidiaries; Other Equity Investments; Equity Interests in the Borrower

(a) Authorized Equity Interests

<u>Company</u>	<u>Jurisdiction of Organization</u>	<u>Authorized Equity Interests</u>
Sportsman's Warehouse, Inc.	Utah	1,000 Shares Common Stock, \$.01 par value
Minnesota Merchandising Corp.	Minnesota	1,000 Shares Common Stock, \$.01 par value
Sportsman's Warehouse Southwest, Inc.	California	1,000 Shares Common Stock, \$.01 par value
Pacific Flyway Wholesale, LLC	Delaware	Percentage Interests

(b) Equity Interests Held

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman's Warehouse, Inc.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100
Minnesota Merchandising Corp.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100
Sportsman's Warehouse Southwest, Inc.	Sportsman's Warehouse, Inc.	Common Stock	100
Pacific Flyway Wholesale, LLC	Sportsman's Warehouse, Inc.	Percentage Interests	100% of the Percentage Interests

(c) Loan Party Ownership

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>
Sportsman's Warehouse Holdings, Inc.	SEP SWH Holdings, L.P.	Common Stock	4,700,000
	New SEP SWH Holdings, L.P.	Common Stock	4,800,000
	***	Restricted Nonvoting	
	***	Common Stock	5,000
	***	Restricted Nonvoting	157,250

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		Common Stock	
	***	Restricted Nonvoting Common Stock	61,940
	***	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	5,000
	***	Restricted Nonvoting Common Stock	157,250
	John Schaefer	Restricted Nonvoting Common Stock	591,125
	***	Restricted Nonvoting Common Stock	139,438
	***	Restricted Nonvoting Common Stock	10,000
	Kevan Talbot	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	157,250
	***	Restricted Nonvoting Common Stock	100
	***	Restricted Nonvoting Common Stock	1,300
	***	Restricted Nonvoting Common Stock	2,500
	***	Restricted Nonvoting Common Stock	100
	***	Restricted Nonvoting Common Stock	300
	***	Restricted Nonvoting Common Stock	2,000
	***	Restricted Nonvoting Common Stock	500
	***	Restricted Nonvoting Common Stock	200
	***	Restricted Nonvoting Common Stock	100
	***	Restricted Nonvoting Common Stock	300,000

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Disclosure Schedule 5.17

Intellectual Property

None.

Labor Matters

Plan/Agreement/Arrangements:

Employee Stock Plan.

The Management Reimbursement Agreement.

Complaints/Claims:

1. Sidney Jackson v. Sportsman's Warehouse. On or about February 1, 2013, Sidney Jackson, a former employee at a Company location in Columbia, South Carolina, filed a charge of discrimination with United States Equal Employment Opportunity Commission and the South Carolina Human Affairs Commission alleging discrimination based on race and age. This charge was assigned EEOC No. 14C-2013-00370 and SHAC No. 1-13-82D,A,S,RET. The Company denies these allegations and will vigorously defend this charge. No evaluation presently can be made as to the final outcome of this matter or the likelihood or range of potential loss, if any.

Disclosure Schedule 5.21(a)

DDAs and Blocked Accounts

U.S. Bank National Association

One US Bank Plaza
7th & Washington
St. Louis, Missouri 63101

<u>Loan Party</u>	<u>Account Number</u>	<u>Account Type</u>
Sportsman's Warehouse, Inc.	***	Concentration Account
	***	Controlled Disbursement
	***	Main Operating Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	***	Depository Account
	Sportsman's Warehouse Holdings, Inc.	***
Pacific Flyway Wholesale, LLC	***	Collateral (Depository)
	***	Controlled Disbursement
	***	Operating Account

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Wells Fargo Bank, N.A.
 299 South Main St., 4th Floor
 SLC, UT 84111

<u>Loan Party</u>	<u>Account Number</u>	<u>Account Type</u>	
Sportsman’s Warehouse, Inc.	***	Collateral (Depository)	
	***	Operating Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	***	Depository Account	
	Pacific Flyway Wholesale, LLC	***	Controlled Disbursement
		***	Controlled Disbursement
***		Operating Account	

*** Indicates that certain information contained herein has been omitted and confidentially submitted separately with the Securities and Exchange Commission. Confidential treatment has been requested with respect to the omitted portions.

Disclosure Schedules 5.21(b)

Credit Card Arrangements

1. Terms of Service, as may have been amended and supplemented from time to time (including without limitation by the terms of the PIN-Based, Online Debit Card Addendum to the Terms of Service) between Elavon, Inc. (US Bank) and Sportsman's Warehouse, Inc.
2. Merchant Services Agreement, Form 33722, Rev. 9/02, effective as of June 1, 2003, as may have been amended and supplemented from time to time, between DFS Services LLC f/k/a Discover Financial Services LLC and Sportsman's Warehouse, Inc.
3. American Express® Card Acceptance Agreement, as may have been amended and supplemented from time to time between American Express Travel Related Services Company, Inc. and Sportsman's Warehouse, Inc.
4. On November 9, 2011, the Company received notice from Elavon, Inc. that it has been identified as a Payment Card Industry ("PCI") Level 2 Merchant and, as such, is required to take certain compliance actions, including the completion of the Visa Prohibited Data Retention Attestation form, which the Company completed on January 23, 2012. The Company updated Elavon, Inc. on its status and signed a current "Prioritized Approach Summary & Attestation of Compliance" PCI form on June 26, 2013.

Disclosure Schedule 5.24

Material Contracts

1. Term Documents.
2. See Section 5.08(b)(2) of this Disclosure Schedule.

Disclosure Schedule 7.01

Existing Liens

None.

Existing Financing Statements

None.

Disclosure Schedule 7.02

Existing Investments

None other than as listed on Schedule 5.13.

Disclosure Schedule 7.03

Existing Indebtedness

None.

Exhibit B

Updated Schedules to Security Agreement

[see attached]

Schedule I

Intercompany Notes

The Intercompany Note, dated as of August 14, 2009, by and among Sportsman's Warehouse Holdings, Inc., Sportsman's Warehouse, Inc., Minnesota Merchandising Corp., Sportsman's Warehouse Southwest, Inc. and Pacific Flyway Wholesale, LLC.

Schedule II

Filings, Registrations and Recordings

All asset UCC-1 Financing Statement naming Sportsman's Warehouse, Inc. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party filed with the Utah Department of Commerce.

All asset UCC-1 Financing Statement naming Sportsman's Warehouse Holdings, Inc. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party filed with the Utah Department of Commerce.

All asset UCC-1 Financing Statement naming Sportsman's Warehouse Southwest, Inc. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party filed with the California Secretary of State.

All asset UCC-1 Financing Statement naming Minnesota Merchandising Corp. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party filed with the Minnesota Secretary of State.

All asset UCC-1 Financing Statement naming Pacific Flyway Wholesale, LLC as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party filed with the Delaware Secretary of State.

Grant of Security Interest in United States Trademarks naming Sportsman's Warehouse, Inc. as Grantor and the Wells Fargo Retail Finance, LLC as Grantee filed with the United States Patent and Trademark Office.

Schedule III

Initial Pledged Interests

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>	<u>Certificate No.</u>
Sportsman's Warehouse, Inc.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100	1
Minnesota Merchandising Corp.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100	1
Sportsman's Warehouse Southwest, Inc.	Sportsman's Warehouse, Inc.	Common Stock	100	1
Pacific Flyway Wholesale, LLC	Sportsman's Warehouse, Inc.	Percentage Interests	100% of the Percentage Interests	Uncertificated

Schedule IV

Licenses

None.

Schedule V

Tangible Chattel Paper

None.

Schedule VI

Commodity Accounts

None.

Schedule VII

Electronic Chattel Paper

None.

October 21, 2013

Sportsman's Warehouse, Inc.
7035 South High Tech Drive
Midvale, Utah 84047

Ladies and Gentlemen:

Reference is hereby made to that certain Credit Agreement dated as of May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as agent for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto, (iv) the Lenders from time to time party thereto, and (v) WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor by merger to Wells Fargo Retail Finance, LLC), in its capacity as administrative agent (in such capacity herein, the "Administrative Agent"), collateral agent and swing line lender. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

Pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$30,000,000 (the "Increase") in the aggregate on the date hereof (the "Increase Effective Date"). Attached hereto as Exhibit A is a certificate of each Loan Party dated as of the Increase Effective Date signed by a Responsible Officer of such Loan Party and making the certifications set forth in Section 2.15(e) of the Credit Agreement. Attached hereto as Exhibit B is a revised Schedule 2.01 to the Credit Agreement setting forth the Commitments and Applicable Percentages of the Lenders after giving effect to the Increase. The Loan Parties hereby acknowledge and agree that, upon giving effect to the Increase, the aggregate amount of additional increases to the Aggregate Commitments available to be requested under Section 2.15 of the Credit Agreement after the Increase Effective Date is \$0.

As consideration for the Lenders' agreement to provide the Increase, on the Increase Effective Date, the Borrowers hereby agree to pay to the Administrative Agent, for the ratable benefit of the Lenders, a commitment increase fee (the "Increase Fee") in an amount equal to \$75,000. The Increase Fee constitutes compensation for services rendered and does not constitute interest or a charge for the use of money. The Increase Fee shall (i) be fully earned when due, (ii) not be subject to refund or rebate under any circumstances, (iii) be paid in immediately available funds, and (iv) not be subject to reduction by way of setoff or counterclaim.

The Loan Parties agree to keep the provisions of the immediately preceding paragraph confidential and, except as may be otherwise required by applicable securities laws, not to disclose same to any other Person (including, without limitation, any proposed or actual lender or participant in the credit facility), other than the Loan Parties' respective directors, officers, counsel and other advisors, each of whom agree to abide by these confidentiality provisions, without the Administrative Agent's prior written consent.

The parties hereto acknowledge and agree that (i) this letter agreement (this "Agreement") shall constitute a Loan Document for all purposes, and (ii) this Agreement is a supplement to, and shall not constitute an amendment to or novation of, the Fee Letter, which Fee Letter remains in full force and effect.

This Agreement shall be governed by and construed in accordance with, the laws of the State of New York.

This Agreement is intended to be solely for the benefit of the parties hereto and is not intended to confer any benefits upon, or create any rights in favor of, any Person other than the parties hereto.

This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this Agreement by facsimile or other electronic transmission (including .pdf) shall be effective as delivery of a manually executed counterpart hereof.

Except as expressly set forth above, all terms and conditions of the Credit Agreement and the other Loan Documents remain in full force and effect.

[remainder of page intentionally left blank]

Please indicate your agreement with the terms of this Agreement by signing below. This Agreement is intended to take effect as a sealed instrument.

WELLS FARGO BANK, NATIONAL ASSOCIATION, as
Administrative Agent

By: /s/ Peter Foley
Name: Peter Foley
Title: Director

Signature Page – Side Letter regarding Increase to Aggregate Commitments

Acknowledged and Agreed:

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, as
Lead Borrower and as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP., a Minnesota
corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited
liability company, as a Borrower

By: Sportsman's Warehouse, Inc., its Sole Member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah
corporation, as a Guarantor

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

Signature Page – Side Letter regarding Increase to Aggregate Commitments

EXHIBIT A
Certificate

[See Attached]

OFFICER'S CERTIFICATE

October 21, 2013

Reference is hereby made to that certain Credit Agreement dated as of May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation (in such capacity, the "Lead Borrower"), as agent for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantors from time to time party thereto, (iv) the Lenders from time to time party thereto, and (v) WELLS FARGO BANK, NATIONAL ASSOCIATION (as successor by merger to Wells Fargo Retail Finance, LLC), in its capacity as administrative agent (in such capacity herein, the "Administrative Agent"), collateral agent and swing line lender. All capitalized terms used herein and not otherwise defined shall have the same meaning herein as in the Credit Agreement.

The Lead Borrower has requested that the Aggregate Commitments be increased by an amount equal to \$30,000,000 (the "Increase") on the date hereof (the "Increase Effective Date"). Pursuant to Section 2.15 of the Credit Agreement, the undersigned, in his capacity as a Responsible Officer of each Loan Party and not in any individual capacity, hereby certifies in connection with the Increase, on behalf of each Loan Party, to the Administrative Agent as follows:

(a) Attached hereto as Exhibit A are resolutions adopted by each Loan Party approving the Increase, which the undersigned hereby certifies are complete and correct and have not been rescinded or revoked as of the date hereof;

(b) Both before and after giving effect to the Increase, the representations and warranties contained in Article V of the Credit Agreement and the other Loan Documents are true and correct on and as of the Increase Effective Date, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Credit Agreement.

(c) Both before and after giving effect to the Increase, no Default or Event of Default exists or would arise therefrom.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned Responsible Officer of each of the Loan Parties has duly executed this Officer's Certificate as of the date above first written.

SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, as
Lead Borrower and as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a
California corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP., a Minnesota
corporation, as a Borrower

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, L.L.C, a Delaware limited
liability company, as a Borrower

By: Sportsman's Warehouse, Inc., its Sole
Member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah
corporation as a Guarantor

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

EXHIBIT A
Resolutions

[See Attached]

**MINNESOTA MERCHANDISING CORP.
RESOLUTIONS**

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Pacific Flyway Wholesale, LLC ("PFW"), Sportsman's Warehouse, Inc. ("SWI"), and Sportsman's Warehouse Southwest, Inc. ("SWS", and collectively with the Company, PFW and SWI, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$30,000,000 ("Increase") in the aggregate on October 21, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$75,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

IN WITNESS WHEREOF, the undersigned hereby evidence written consent to the foregoing resolutions as of the date first above written.

By: /s/ Leonard Lee

Name: Leonard Lee

Title: Director

By: /s/ Bob Seidler

Name: Bob Seidler

Title: Director

By: /s/ Chris Eastland

Name: Chris Eastland

Title: Director

By: /s/ John Schaefer

Name: John Schaefer

Title: Director

Signature Page to the Resolutions of Minnesota Merchandising Corp.

**PACIFIC FLYWAY WHOLESALe, LLC
RESOLUTIONS**

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Minnesota Merchandising Corp. ("MMC"), Sportsman's Warehouse, Inc. ("SWI"), and Sportsman's Warehouse Southwest, Inc. ("SWS", and collectively with the Company, MMC and SWI, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$30,000,000 ("Increase") in the aggregate on October 21, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$75,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

IN WITNESS WHEREOF, the undersigned, being the sole member of the Company, has executed this written consent as of the date first written above.

Sportsman's Warehouse, Inc.

By: */s/ John Schaefer*

Name: John Schaefer

Title: Chief Executive Officer

Signature Page to the Resolution of Pacific Flyway Wholesale, LLC

**SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
RESOLUTIONS**

WHEREAS, the Company is a Guarantor of the obligations of the Borrowers (defined below) pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), Sportsman's Warehouse, Inc. ("SWI"), Pacific Flyway Wholesale, LLC ("PFW"), Minnesota Merchandising Corp. ("MMC"), and Sportsman's Warehouse Southwest, Inc. ("SWS", and collectively with SWI, PFW and SWI, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$30,000,000 ("Increase") in the aggregate on October 21, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$75,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent, Borrowers, and the Company ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

IN WITNESS WHEREOF, the undersigned hereby evidence written consent to the foregoing resolutions as of the date first above written.

By: /s/ Leonard Lee

Name: Leonard Lee

Title: Director

By: /s/ Bob Seidler

Name: Bob Seidler

Title: Director

By: /s/ Chris Eastland

Name: Chris Eastland

Title: Director

By: /s/ John Schaefer

Name: John Schaefer

Title: Director

Signature Page to the Resolutions of Sportsman's Warehouse Holdings, Inc.

**SPORTSMAN'S WAREHOUSE SOUTHWEST, INC.
RESOLUTIONS**

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Pacific Flyway Wholesale, LLC ("PFW"), Sportsman's Warehouse, Inc. ("SWI"), and Minnesota Merchandising Corp. ("MMC"), and collectively with the Company, PFW and SWI, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$30,000,000 ("Increase") in the aggregate on October 21, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$75,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

IN WITNESS WHEREOF, the undersigned hereby evidence written consent to the foregoing resolutions as of the date first above written.

By: /s/ Leonard Lee

Name: Leonard Lee

Title: Director

By: /s/ Bob Seidler

Name: Bob Seidler

Title: Director

By: /s/ Chris Eastland

Name: Chris Eastland

Title: Director

By: /s/ John Schaefer

Name: John Schaefer

Title: Director

Signature Page to the Resolution of Sportsman's Warehouse Southwest, Inc.

SPORTSMAN'S WAREHOUSE, INC.
RESOLUTIONS

WHEREAS, the Company is a Borrower pursuant to that certain Credit Agreement dated May 28, 2010 (as amended, modified, supplemented or restated and in effect from time to time, "Credit Agreement") by and among Wells Fargo Bank, National Association (as successor by merger to Wells Fargo Retail Finance, LLC), as Administrative Agent, Collateral Agent and Swing Line Lender ("Agent"), the other lenders signatory thereto (collectively with Agent, the "Lenders"), the Company, Pacific Flyway Wholesale, LLC ("PFW"), Sportsman's Warehouse Southwest, Inc. ("SWS"), and Minnesota Merchandising Corp. ("MMC"), and collectively with the Company, PFW and SWS, the "Borrowers").

WHEREAS, pursuant to the terms of Section 2.15 of the Credit Agreement, the Lead Borrower has requested, and the Lenders have agreed, to increase the Aggregate Commitments by an amount equal to \$30,000,000 ("Increase") in the aggregate on October 21, 2013 or such other date to be agreed upon by Agent and Borrower (the "Increase Effective Date").

WHEREAS, the terms of the Increase include (a) the payment of an increase fee in the amount of \$75,000, and (b) recognition that following the Increase no additional increase in the Aggregate Commitments is available pursuant to the Credit Agreement (collectively, "Increase Terms").

WHEREAS, the Increase Terms have been reviewed by the Board of Directors and have been deemed to be in the best interests of and within the express and implied powers of the Company.

WHEREAS, the Increase will be documented by a letter agreement dated as of the Increase Effective Date by and between Agent and Borrower ("Letter Amendment"); now therefore,

BE IT RESOLVED, that the Letter Amendment and the transaction contemplated thereby is hereby approved.

FURTHER RESOLVED, that any officer of the Company (each an "Authorized Officer") be, and hereby is, authorized, for and on behalf of the Company, to execute the Letter Amendment, and to execute all such other documents and instruments and to take such further actions in connection therewith as required by the Letter Amendment or as such Authorized Officer or counsel for the Company may deem necessary or advisable, in such form and with such changes as are approved by the Authorized Officer executing such documents, such execution and delivery to be conclusive evidence of the due authorization and approval thereof by the Company, and each such executed document shall constitute a valid and binding obligation of the Company.

FURTHER RESOLVED, that the authorization of the Authorized Officers described in these resolutions shall continue in full force and effect until revoked by resolution of the Board of Directors of the Company and, in the event of such revocation, any officer of the Company is hereby authorized, empowered and directed to deliver notice of such revocation to the Agent.

FURTHER RESOLVED, that all of the acts and doings of the Authorized Officers, whether heretofore or hereafter taken or done in connection with the transaction contemplated by the Letter Amendment which are consistent with the purpose and intent of the foregoing resolutions, are hereby in all respects, ratified, approved and confirmed.

IN WITNESS WHEREOF, the undersigned hereby evidence written consent to the foregoing resolutions as of the date first above written.

By: /s/ Leonard Lee

Name: Leonard Lee

Title: Director

By: /s/ Bob Seidler

Name: Bob Seidler

Title: Director

By: /s/ Chris Eastland

Name: Chris Eastland

Title: Director

By: /s/ John Schaefer

Name: John Schaefer

Title: Director

Signature Page to the Resolution of Sportsman's Warehouse, Inc.

EXHIBIT B
Schedule 2.01

Commitments and Applicable Percentages

<u>Lender</u>	<u>Commitment</u>	<u>Pro Rata Share</u>
Wells Fargo Bank, National Association	\$105,000,000.00	100%
TOTAL	\$105,000,000.00	100%

GUARANTY

GUARANTY (this "Guaranty"), dated as of May 28th 2010, by SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah corporation (the "Guarantor") in favor of (a) Wells Fargo Retail Finance, LLC, a Delaware limited liability company, as administrative agent (in such capacity, the "Administrative Agent") and collateral agent (in such capacity, the "Collateral Agent" and, collectively with the Administrative Agent, the "Agents") for its own benefit and the benefit of the other Credit Parties (as defined in the Credit Agreement referred to below), and (b) the Credit Parties.

WITNESSETH

WHEREAS, reference is made to that certain Credit Agreement, dated as of the date hereof (as amended, modified, supplemented or restated and in effect from time to time, the "Credit Agreement"), by and among (i) Sportsman's Warehouse, Inc., a Utah corporation (the "Lead Borrower"), as representative for the Borrowers from time to time party thereto (individually, a "Borrower" and, collectively with the Lead Borrower, the "Borrowers"), (ii) the Borrowers, (iii) the Guarantor, (iv) the Lenders from time to time party thereto (individually, a "Lender" and, collectively, the "Lenders"), and (v) Wells Fargo Retail Finance, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender, pursuant to which the Lenders have agreed to make Loans to the Borrowers upon the terms and subject to the conditions specified in the Credit Agreement. Capitalized terms used herein and not defined herein shall have the meanings assigned to such terms in the Credit Agreement.

WHEREAS, Guarantor acknowledges that it will receive direct and indirect benefits from the availability of the credit facility provided for in the Credit Agreement and from the making of the Loans by the Lenders.

WHEREAS, the obligations of the Lenders to make Loans is conditioned upon, among other things, the execution and delivery by the Guarantor of this Guaranty. As consideration therefor, and in order to induce the Lenders to make Loans, the Guarantor is willing to execute this Guaranty.

Accordingly, the parties hereto agree as follows:

SECTION 1. Guaranty. Guarantor irrevocably and unconditionally guarantees, as a primary obligor and not merely as a surety, the due and punctual payment when due (whether at the stated maturity, by required prepayment, by acceleration or otherwise) and performance by each of the Borrowers of all Obligations (collectively, the "Guaranteed Obligations"), including all such Guaranteed Obligations which shall become due but for the operation of the Debtor Relief Laws. The Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon this Guaranty notwithstanding any extension or renewal of any Guaranteed Obligation.

SECTION 2. Guaranteed Obligations Not Affected. To the fullest extent permitted by applicable Law, Guarantor waives presentment to, demand of payment from, and protest to, any

Loan Party of any of the Guaranteed Obligations, and also waives notice of acceptance of this Guaranty, notice of protest for nonpayment and all other notices of any kind. To the fullest extent permitted by applicable Law, the obligations of Guarantor hereunder shall not be affected by (a) the failure of any Agent or any other Credit Party to assert any claim or demand or to enforce or exercise any right or remedy against any Loan Party under the provisions of the Credit Agreement, any other Loan Document or otherwise or against any other party with respect to any of the Guaranteed Obligations, (b) any rescission, waiver, amendment or modification of, or any release from, any of the terms or provisions of this Guaranty, or of any other Loan Document or any other agreement, with respect to any Loan Party or with respect to the Guaranteed Obligations, (c) the failure to perfect any security interest in, or the release of, any of the Collateral held by or on behalf of the Collateral Agent or any other Credit Party, or (d) the lack of legal existence of any Loan Party or legal obligation to discharge any of the Guaranteed Obligations by any Loan Party for any reason whatsoever, including, without limitation, in any insolvency, bankruptcy or reorganization of any Loan Party.

SECTION 3. Security. Guarantor hereby acknowledges and agrees that the Collateral Agent and each of the other Credit Parties may (a) take and hold security for the payment of this Guaranty and the Guaranteed Obligations and exchange, enforce, waive and release any such security, (b) apply such security and direct the order or manner of sale thereof as they in their sole discretion may determine, and (c) release or substitute any one or more endorsees, Borrowers, other Loan Parties or other obligors, in each case without affecting or impairing in any way the liability of Guarantor hereunder.

SECTION 4. Guaranty of Payment. Guarantor further agrees that this Guaranty constitutes a guarantee of payment and performance when due of all Guaranteed Obligations and not of collection and, to the fullest extent permitted by applicable Law, waives any right to require that any resort be had by the Collateral Agent or any other Credit Party to any of the Collateral or other security held for payment of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of any Agent or any other Credit Party in favor of any Loan Party or any other Person or to any other Guarantor of all or part of the Guaranteed Obligations. Any payment required to be made by Guarantor hereunder may be required by any Agent or any other Credit Party on any number of occasions and shall be payable to the Administrative Agent, for the benefit of the Agents and the other Credit Parties, in the manner provided in the Credit Agreement.

SECTION 5. Indemnification.

(a) Without limiting or duplicating any of their indemnification obligations under the Credit Agreement or the other Loan Documents, Guarantor shall indemnify the Agents (and any sub-agent thereof), each other Credit Party, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities, settlement payments, costs and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnitee) incurred, suffered, sustained or required to be paid by any Indemnitee or asserted against any Indemnitee by any third party or by Guarantor arising out of, in connection with, or as a result of, (i) the execution or delivery of this Guaranty, the Credit Agreement, any other Loan Document or any

other agreement or instrument contemplated hereby or thereby, the performance by the Loan Parties hereto of their respective obligations hereunder or thereunder, or the consummation of the transactions contemplated hereby or thereby, or, in the case of the Agents (and any sub-agent thereof) and their Related Parties only, the administration of this Guaranty, the Credit Agreement and the other Loan Documents, or (ii) any actual or prospective claim, litigation, investigation or proceeding relating to or arising from any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by Guarantor, or any of the Guarantor's directors, shareholders or creditors, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from (y) the gross negligence or willful misconduct of such Indemnitee or (z) bad faith.

(b) To the fullest extent permitted by applicable Law, the Guarantor shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Guaranty, the Credit Agreement, any other Loan Document or any agreement or instrument contemplated hereby, or the transactions contemplated hereby or thereby. No Indemnitee referred to in subsection (a) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Guaranty, the Credit Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of such Indemnitee as determined by a final and nonappealable judgment of a court of competent jurisdiction.

(c) The agreements in this Section 5 shall survive the resignation of any Agent and the Termination Events.

SECTION 6. No Discharge or Diminishment of Guaranty. The obligations of Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason (other than upon the Termination Events, as described in Section 8 of this Agreement), including any claim of waiver, release, surrender, alteration or compromise of any of the Guaranteed Obligations, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise. Without limiting the generality of the foregoing, the Guaranteed Obligations of Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of any Agent or any other Credit Party to assert any claim or demand or to enforce any remedy under this Guaranty, the Credit Agreement, any other Loan Document or any other agreement, by any waiver or modification of any provision of any thereof, by any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations, or by any other act or omission that may or might in any manner or to any extent vary the risk of

Guarantor or that would otherwise operate as a discharge of Guarantor as a matter of law or equity (other than the indefeasible payment in full in cash of the Guaranteed Obligations).

SECTION 7. Defenses of Loan Parties Waived. To the fullest extent permitted by applicable Law, Guarantor waives any defense based on or arising out of any defense of any other Loan Party or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any other Loan Party, other than the indefeasible payment in full in cash of the Guaranteed Obligations. Guarantor hereby acknowledges that the Agents and the other Credit Parties may, at their election and pursuant to the terms and conditions of the Credit Agreement, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any other Loan Party, or exercise any other right or remedy available to them against any other Loan Party, without affecting or impairing in any way the liability of each such Guarantor hereunder except to the extent that the Guaranteed Obligations have been indefeasibly paid in full in cash. Pursuant to, and to the extent permitted by, applicable Law, Guarantor waives any defense arising out of any such election and waives any benefit of and right to participate in any such foreclosure action, even though such election operates, pursuant to applicable Law, to impair or to extinguish any right of reimbursement, indemnity, contribution or subrogation or other right or remedy of such Guarantor against any Loan Party, as the case may be, or any security. Guarantor agrees that it shall not assert any claim in competition with any Agent or any other Credit Party in respect of any payment made hereunder in connection with any proceedings under any Debtor Relief Laws.

SECTION 8. Agreement to Pay; Subordination. In furtherance of the foregoing and not in limitation of any other right that the Agents or any other Credit Party has at law or in equity against Guarantor by virtue hereof, upon the failure of any Loan Party to pay any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Agents or such other Credit Party as designated thereby in cash the amount of such unpaid Guaranteed Obligations. Upon payment by Guarantor of any sums to any Agent or any other Credit Party as provided above, all rights of such Guarantor against any Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full in cash of all the Guaranteed Obligations. In addition, any indebtedness of any Borrower or any other Loan Party now or hereafter held by Guarantor is hereby subordinated in right of payment to the prior indefeasible payment in full of all of the Guaranteed Obligations. Notwithstanding the foregoing, prior to the occurrence of an Event of Default, any Borrower or any other Loan Party may make payments to Guarantor on account of any such indebtedness. After the occurrence and during the continuance of an Event of Default, Guarantor will not demand, sue for, or otherwise attempt to collect any such indebtedness until (i) termination of the Aggregate Commitments, (ii) all of the Guaranteed Obligations have been indefeasibly paid in full in cash (other than contingent indemnification obligations for which no claim has been asserted), (iii) all L/C Obligations have been reduced to zero (or fully Cash Collateralized or supported by another letter of credit in a manner reasonably satisfactory to the L/C Issuer and the Administrative Agent), and (iv) termination of the Administrative Agent's obligation to endeavor to cause the L/C Issuer to issue Letters of Credit under the Credit

Agreement (collectively, "Termination Events"). If any amount shall erroneously be paid to Guarantor on account of (a) such subrogation, contribution, reimbursement, indemnity or similar right or (b) any such indebtedness of any Loan Party, such amount shall be held in trust for the benefit of the Credit Parties and shall forthwith be paid to the Administrative Agent to be credited against the payment of the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement.

SECTION 9. Limitation on Guaranty of Guaranteed Obligations. In any action or proceeding with respect to Guarantor involving any state corporate law, the Debtor Relief Laws or any other state or federal bankruptcy, insolvency, reorganization or other laws affecting the rights of creditors generally, if the obligations of such Guarantor under this Guaranty would otherwise be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under this Guaranty, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, any Credit Party, any Agent or any other Person, be automatically limited and reduced to the highest amount which is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

SECTION 10. Information. Guarantor assumes all responsibility for being and keeping itself informed of each Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that none of the Agents or the other Credit Parties will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks. The Guarantor has reviewed and approved copies of the Loan Documents and are fully informed of the remedies the Collateral Agent may pursue, with or without notice to the Guarantor.

SECTION 11. Termination. This Guaranty (a) shall terminate when (i) the Aggregate Commitments have terminated, (ii) all of the Guaranteed Obligations have been indefeasibly paid in full in cash (other than contingent indemnification obligations for which no claim has been asserted), (iii) all L/C Obligations have been reduced to zero (except to the extent fully Cash Collateralized in the manner set forth in Section 2.03(g) of the Credit Agreement, or supported by another letter of credit in a manner reasonably satisfactory to the L/C Issuer and the Administrative Agent), and (iv) the Administrative Agent has no further obligation under the Credit Agreement to cause the L/C Issuer to issue Letters of Credit, and (b) shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Obligation is rescinded or must otherwise be restored by any Credit Party or Guarantor in connection with Debtor Relief Laws or otherwise.

SECTION 12. Costs of Enforcement. Without limiting or duplicating any of their obligations under the Credit Agreement or the other Loan Documents, the Guarantor, agrees to pay on demand all Credit Party Expenses in connection with (i) the administration, negotiation, documentation or amendment of this Guaranty, and (ii) any Agent's or any other Credit Party's efforts to collect and/or to enforce any of the Guaranteed Obligations of Guarantor hereunder and/or to enforce any of the rights, remedies, or powers of any Agent or any other Credit Party against or in respect of Guarantor (whether or not suit is instituted by or against any Agent or any other Credit Party).

SECTION 13. Binding Effect; Assignments. Whenever in this Guaranty any party hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Guarantor that are contained in this Guaranty shall bind and inure to the benefit the Guarantor and its respective successors and assigns. This Guaranty shall be binding upon each of the Guarantor and its respective successors and assigns, and shall inure to the benefit of the Agents and the other Credit Parties, and their respective successors and assigns, except that Guarantor shall not have the right to assign or transfer its rights or obligations hereunder or any interest herein (and any such attempted assignment or transfer shall be void), except as expressly permitted by this Guaranty or the Credit Agreement.

SECTION 14. Waivers; Amendment.

(a) The rights, remedies, powers, privileges, and discretions of the Agents hereunder and under applicable Law (herein, the “Agents’ Rights and Remedies”) shall be cumulative and not exclusive of any rights or remedies which they would otherwise have. No delay or omission by the Agents in exercising or enforcing any of the Agents’ Rights and Remedies shall operate as, or constitute, a waiver thereof. No waiver by the Agents of any Event of Default or default under any other agreement shall operate as a waiver of any other Event of Default or default hereunder or under any other agreement. No single or partial exercise of any of the Agents’ Rights or Remedies, and no express or implied agreement or transaction of whatever nature entered into between the Agents and any Person, at any time, shall preclude the other or further exercise of the Agents’ Rights and Remedies. No waiver by the Agents of any of the Agents’ Rights and Remedies on any one occasion shall be deemed a waiver on any subsequent occasion, nor shall it be deemed a continuing waiver. The Agents’ Rights and Remedies may be exercised at such time or times and in such order of preference as the Agents may determine. The Agents’ Rights and Remedies may be exercised without resort or regard to any other source of satisfaction of the Guaranteed Obligations. No waiver of any provisions of this Guaranty or any other Loan Document or consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) below, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on Guarantor in any case shall entitle such Guarantor or any other Guarantor to any other or further notice or demand in the same, similar or other circumstances.

(b) Neither this Guaranty nor any provision hereof may be waived, amended or modified except pursuant to a written agreement entered into between the Agents and the Guarantor with respect to whom such waiver, amendment or modification is to apply, subject to any consent required in accordance with Section 10.01 of the Credit Agreement.

SECTION 15. Copies and Facsimiles. This instrument and all documents which have been or may be hereinafter furnished by Guarantor to any of the Agents may be reproduced by such Agents by any photographic, microfilm, xerographic, digital imaging, or other process. Any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such

reproduction was made in the regular course of business). Any facsimile which bears proof of transmission shall be binding on the party which or on whose behalf such transmission was initiated and likewise so admissible in evidence as if the original of such facsimile had been delivered to the party which or on whose behalf such transmission was received.

SECTION 16. Governing Law. THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

SECTION 17. Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 10.02 of the Credit Agreement, provided that communications and notices to the Guarantor may be delivered to the Lead Borrower on behalf of the Guarantor.

SECTION 18. Survival of Agreement; Severability.

(a) All covenants, agreements, indemnities, representations and warranties made by the Guarantor herein and in the certificates or other instruments delivered in connection with or pursuant to this Guaranty, the Credit Agreement or any other Loan Document shall be considered to have been relied upon by the Agents and the other Credit Parties and shall survive the execution and delivery of this Guaranty, the Credit Agreement and the other Loan Documents and the making of any Loans by the Lenders and the issuance of any Letters of Credit by the L/C Issuer, regardless of any investigation made by any Agent or any other Credit Party or on their behalf and notwithstanding that any Agent or other Credit Party may have had notice or knowledge of any Default or Event of Default or incorrect representation or warranty at the time any credit is extended, and shall continue in full force and effect until (i) the Aggregate Commitments have terminated, (ii) all of the Guaranteed Obligations have been indefeasibly paid in full in cash, (iii) all L/C Obligations have been reduced to zero (except to the extent fully Cash Collateralized or supported by another letter of credit in a manner reasonably satisfactory to the L/C Issuer and the Administrative Agent), and (iv) the Administrative Agent has no further obligation to endeavor to cause the L/C Issuer to issue Letters of Credit under the Credit Agreement. The provisions of Section 5 and Section 11(b) hereof shall survive and remain in full force and effect regardless of the repayment of the Guaranteed Obligations, the expiration or termination of the Letters of Credit and the Aggregate Commitments or the termination of this Guaranty or any provision hereof.

(b) Any provision of this Guaranty 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.

SECTION 19. Counterparts. This Guaranty 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 counterpart of a signature page to this Guaranty by electronic transmission shall be as effective as delivery of a manually executed counterpart of this Guaranty.

SECTION 20. Rules of Interpretation. The rules of interpretation specified in Section 1.02 through 1.05 of the Credit Agreement shall be applicable to this Guaranty.

SECTION 21. Jurisdiction; Waiver of Venue; Consent to Service of Process.

(a) GUARANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY 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 GUARANTY OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND GUARANTOR 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 COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. GUARANTOR 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 GUARANTY OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENTS, ANY LENDER OR THE L/C ISSUER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT AGAINST GUARANTOR OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(b) GUARANTOR IRREVOCABLY AND UNCONDITIONALLY WIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (A) OF THIS SECTION. GUARANTOR HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(c) GUARANTOR IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 17. NOTHING IN THIS GUARANTY WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW.

SECTION 22. Waiver of Jury Trial. GUARANTOR, EACH AGENT, AND EACH CREDIT PARTY (BY ITS ACCEPTANCE HEREOF) HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS GUARANTY OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). GUARANTOR, EACH AGENT, AND EACH CREDIT PARTY (BY ITS ACCEPTANCE HEREOF) (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, AND (B) ACKNOWLEDGES THAT IT HAS BEEN INDUCED TO ENTER INTO (OR ACCEPT) THIS GUARANTY AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 22.

SECTION 23. Right of Setoff. If an Event of Default shall have occurred and be continuing or if any Lender shall have been served with a trustee process or similar attachment relating to property of a Loan Party, each Credit Party and each of its respective Affiliates is hereby authorized at any time and from time to time, after obtaining the prior written consent of the Administrative Agent or the Required Lenders, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Credit Party or any such Affiliate to or for the credit or the account of Guarantor against any of and all the Guaranteed Obligations of such Guarantor now or hereafter existing under this Guaranty or any other Loan Document to such Credit Party, irrespective of whether or not such Credit Party shall have made any demand under this Guaranty or any other Loan Document and although such obligations of such Guarantor may be unmaturred or are owed to a branch or office of such Credit Party different from the branch or office holding such deposit or obligated on such indebtedness. The rights of each Credit Party and its respective Affiliates under this Section 23 are in addition to other rights and remedies (including other rights of setoff) that such Credit Party or its respective Affiliates may have. Each Credit Party agrees to notify the Guarantor and the Administrative Agent promptly after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such setoff and application.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Guarantor has duly executed this Guaranty as of the day and year first above written.

Guarantor:

SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah corporation

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

[Guaranty - Signature Page]

SECURITY AGREEMENT

By

SPORTSMAN'S WAREHOUSE, INC., MINNESOTA MERCHANDISING CORP.,
SPORTSMAN'S WAREHOUSE SOUTHWEST, INC. AND PACIFIC FLYWAY, LLC
as Borrowers

and

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

as Guarantor

and

WELLS FARGO RETAIL FINANCE, LLC
as Collateral Agent

Dated as of May 28, 2010

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SECURITY AGREEMENT

SECURITY AGREEMENT dated as of May 28th, 2010 (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the provisions hereof, the "Agreement") made by: (i) SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, MINNESOTA MERCHANDISING CORP., a Minnesota corporation, SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a California corporation, and PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited liability company (each a "Borrower" and collectively, the "Borrowers"); and (ii) SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah corporation (the "Guarantor"), as pledgors, assignors and debtors (the Borrower, together with the Guarantor, in such capacities and together with any successors in such capacities, the "Pledgors," and each, a "Pledgor"), in favor of WELLS FARGO RETAIL FINANCE, LLC, a Delaware limited liability company, having an office at One Boston Place, 18th Floor, Boston Massachusetts 02108, in its capacity as collateral agent for the Credit Parties (as defined in the Credit Agreement defined below) pursuant to the Credit Agreement (as hereinafter defined), as pledgee, assignee and secured party (in such capacities and together with any successors in such capacities, the "Collateral Agent").

R E C I T A L S :

A. The Borrowers, the Guarantor, Wells Fargo Retail Finance, LLC, as Administrative Agent, Collateral Agent and Swing Line Lender, and the Lenders party thereto, among others, have, in connection with the execution and delivery of this Agreement, entered into that certain Credit Agreement of even date herewith (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Credit Agreement").

B. Guarantor has, pursuant to that certain Facility Guaranty dated as of the date hereof (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Facility Guaranty"), among other things, unconditionally guaranteed the obligations of the Borrowers under the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement) (the "Guaranteed Obligations").

C. Each Pledgor will receive substantial benefits from the execution, delivery and performance of the obligations under the Credit Agreement, the Facility Guaranty and the other Loan Documents and each is, therefore, willing to enter into this Agreement.

D. Each Pledgor is or, as to Collateral (as hereinafter defined) acquired by such Pledgor after the date hereof, will be, the legal and/or beneficial owner of the Collateral pledged by it hereunder.

F. This Agreement is given by each Pledgor in favor of the Collateral Agent for the benefit of the Credit Parties to secure the payment and performance of all of the Secured Obligations (as hereinafter defined).

G. It is a condition to the obligations of the Lenders to make the Loans under the Credit Agreement and a condition to the obligation of the Administrative Agent to endeavor to cause the L/C Issuer to issue Letters of Credit under the Credit Agreement that each Pledgor execute and deliver the applicable Loan Documents, including this Agreement.

A G R E E M E N T :

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Pledgor and the Collateral Agent hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. Definitions.

(a) Unless otherwise defined herein or in the Credit Agreement, capitalized terms used herein that are defined in the UCC shall have the meanings assigned to them in the UCC.

(b) Capitalized terms used but not otherwise defined herein that are defined in the Credit Agreement shall have the meanings given to them in the Credit Agreement.

(c) The following terms shall have the following meanings:

“Additional Pledged Interests” shall mean, collectively, with respect to each Pledgor, (i) all Equity Interests of whatever class of any issuer of Initial Pledged Interests, together with all rights, privileges, authority and powers of such Pledgor relating to such Equity Interests, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests from time to time acquired by such Pledgor in any manner, (ii) all Equity Interests, as applicable, of each corporation, limited liability company, partnership or other entity hereafter acquired or formed by such Pledgor and all Equity Interests of whatever class of such limited liability company, partnership or other entity, and (iii) all options, warrants, rights, agreements, additional shares of capital stock of whatever class of any issuer of such Equity Interests, together, in each case, with all rights, privileges, authority and powers of such Pledgor relating to such interests, and the certificates, instruments and agreements representing such Equity Interests and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests, from time to time acquired by such Pledgor in any manner.

“Agreement” shall have the meaning assigned to such in the Preamble hereof.

“Borrower” shall have the meaning assigned to such term in the Preamble hereof.

“Claims” shall mean any and all property taxes and other taxes, assessments and special assessments, levies, fees and all governmental charges imposed upon or assessed against, and all claims (including, without limitation, landlords’, carriers’, mechanics’, workmen’s, repairmen’s, laborers’, materialmen’s, suppliers’ and warehousemen’s Liens and other claims arising by operation of law) against, all or any portion of the Collateral.

“Collateral” shall have the meaning assigned to such term in SECTION 2.1 hereof.

“Collateral Agent” shall have the meaning assigned to such term in the Preamble hereof.

“Contracts” shall mean, collectively, with respect to each Pledgor, all sale, service, performance, equipment or property lease contracts, agreements and grants and all other contracts, agreements or grants (in each case, whether written or oral, or third party or intercompany), between such Pledgor and third parties, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof.

“Control” shall mean (i) in the case of each DDA, “control,” as such term is defined in Section 9-104 of the UCC, (ii) in the case of any Security Entitlement, “control,” as such term is defined in Section 8-106 of the UCC and (iii) in the case of any Commodity Contract, “control,” as such term is defined in Section 9-106 of the UCC.

“Copyrights” shall mean, collectively, with respect to each Pledgor, all copyrights (whether statutory or common law, whether established or registered in the United States or any other country or any political subdivision thereof whether registered or unregistered and whether published or unpublished) and all copyright registrations and applications made by such Pledgor, in each case, whether now owned or hereafter created or acquired by or assigned to such Pledgor, including, without limitation, the registrations and applications listed in the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Pledgor’s use of such copyrights, (ii) reissues, renewals, continuations and extensions thereof, (iii) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable with respect thereto, including, without limitation, damages and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present or future infringements thereof.

“Credit Agreement” shall have the meaning assigned to such term in Recital A hereof.

“Distributions” shall mean, collectively, with respect to each Pledgor, all dividends, cash, options, warrants, rights, instruments, distributions, returns of capital or principal, income, interest, profits and other property, interests (debt or equity) or proceeds, including as a result of a split, revision, reclassification or other like change of the Securities Collateral, from time to time received, receivable or otherwise distributed to such Pledgor in respect of or in exchange for any or all of the Collateral.

“Excluded Property.” shall mean:

(a) any permit, lease or license, or the assets (owned by a Person other than a Pledgor) relating thereto or covered thereby, held by any Pledgor that validly prohibits the creation by such Pledgor of a security interest therein or thereon;

(b) any permit, lease or license, or the assets (owned by a Person other than a Pledgor) relating thereto or covered thereby, held by any Pledgor to the extent that applicable Law prohibits the creation of a security interest therein or thereon; and

(c) any Intellectual Property, including without limitation, intent-to-use trademark applications, for which the creation by a Pledgor of a security interest therein is prohibited without the consent of third party, by applicable Law, or would otherwise result in the loss by any Loan Party of any material rights therein.

In each such case, (other than to the extent that any such term would be rendered ineffective pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law or principles of equity); provided, however, that in each case described in clauses (a), (b) and (c) of this definition, such property shall constitute “Excluded Property” only to the extent and for so long as such permit, lease, license, contract or other agreement or applicable Law or Organization Document validly prohibits the creation of a Lien on such property in favor of the Collateral Agent and, upon the termination of such prohibition (howsoever occurring), such property shall cease to constitute “Excluded Property;” provided further that all Proceeds, substitutions or replacements of any “Excluded Property” described in clauses (a) through (c) (unless such Proceeds, substitutions or replacements would constitute “Excluded Property”) shall constitute Collateral hereunder.

“GE Indebtedness” shall mean the amount then outstanding pursuant to that certain Credit Agreement dated as of August 14, 2009 (as amended), among Borrowers, Guarantor, General Electric Capital Corporation and the other lenders thereto.

“General Intangibles” shall mean, collectively, with respect to each Pledgor, all “general intangibles,” as such term is defined in the UCC, of such Pledgor and, in any event, shall include, without limitation, (i) all of such Pledgor’ s rights, title and interest in, to and under all insurance policies and Contracts, (ii) all know-how and warranties relating to any of the Collateral, (iii) any and all other rights, claims, choses-in-action and causes of action of such Pledgor against any other Person and the benefits of any and all collateral or other security given by any other Person in connection therewith, (iv) all guarantees, endorsements and indemnifications on, or of, any of the Collateral, (v) all lists, books, records, correspondence, ledgers, print-outs, files (whether in printed form or stored electronically), tapes and other papers or materials containing information relating to any of the Collateral, including, without limitation, all customer or tenant lists, identification of suppliers, data, plans, blueprints, specifications, designs, drawings, appraisals, recorded knowledge, surveys, studies, engineering reports, test reports, manuals, standards, processing standards, performance standards, catalogs, research data, computer and automatic machinery software and programs and the like, field repair data, accounting information pertaining to such Pledgor’s operations or any of the

Collateral and all media in which or on which any of the information or knowledge or data or records may be recorded or stored and all computer programs used for the compilation or printout of such information, knowledge, records or data, (vi) all licenses, consents, permits, variances, certifications, authorizations and approvals, however characterized, of any Governmental Authority (or any Person acting on behalf of a Governmental Authority) now or hereafter acquired or held by such Pledgor pertaining to operations now or hereafter conducted by such Pledgor or any of the Collateral including, without limitation, building permits, certificates of occupancy, environmental certificates, industrial permits or licenses and certificates of operation (vii) all Payment Intangibles and (viii) all rights to reserves, deferred payments, deposits, refunds, indemnification of claims to the extent the foregoing relate to any Collateral, including, without limitation, Permitted Acquisitions, and claims for tax or other refunds against any Governmental Authority relating to any Collateral.

“Goodwill” shall mean, collectively, with respect to each Pledgor, the goodwill connected with such Pledgor’s business including, without limitation, (i) all goodwill connected with the use of and symbolized by any of the Intellectual Property in which such Pledgor has any interest, (ii) all know-how, trade secrets, customer and supplier lists, proprietary information, inventions, methods, procedures, formulae, descriptions, compositions, technical data, drawings, specifications, name plates, catalogs, confidential information and the right to limit the use or disclosure thereof by any Person, pricing and cost information, business and marketing plans and proposals, consulting agreements, engineering contracts and such other assets which relate to such goodwill and (iii) all product lines of such Pledgor’s business.

“Guarantor” shall have the meaning assigned to such term in the Preamble hereof.

“Initial Pledged Interests” shall mean, with respect to each Pledgor, all Equity Interests of each issuer described in Schedule III annexed hereto, together with all rights, privileges, authority and powers of such Pledgor in and to each such issuer, the certificates, instruments and agreements representing such Equity Interests, all options, warrants, rights, and other agreements of any issuer, and any and all interest of such Pledgor in the entries on the books of any financial intermediary pertaining to such Equity Interests.

“Instruments” shall mean, collectively, with respect to each Pledgor, all “instruments,” as such term is defined in Article 9 of the UCC, and shall include, without limitation, all promissory notes, drafts, bills of exchange or acceptances.

“Intellectual Property” shall mean, collectively, the Patents, Trademarks, Copyrights, Licenses and Goodwill.

“Intercompany Notes” shall mean, with respect to each Pledgor, all intercompany notes described on Schedule I hereto and each intercompany note hereafter acquired by such Pledgor and all certificates, instruments or agreements evidencing such intercompany notes, and all assignments, amendments, restatements, supplements, extensions, renewals, replacements or modifications thereof to the extent permitted pursuant to the terms hereof.

“Investment Property” shall mean, collectively, with respect to each Pledgor, all “investment property,” as such term is defined in the UCC, of such Pledgor and, in any event,

shall include, without limitation, a security, whether certificated or uncertificated, security entitlement, securities account, commodity contract or commodity account, excluding, however, the Securities Collateral.

“Joinder Agreement” shall mean an agreement substantially in the form annexed hereto as Exhibit 2.

“Licenses” shall mean, collectively, with respect to each Pledgor, all license and distribution agreements with, and covenants not to sue, any other party with respect to any Patent, Trademark or Copyright or any other patent, trademark or copyright, whether such Pledgor is a licensor or licensee, distributor or distributee under any such license or distribution agreement, including, without limitation, the license and distribution agreements listed in Schedule IV annexed hereto, together with any and all (i) renewals, extensions, supplements and continuations thereof, (ii) income, fees, royalties, damages, claims and payments now and hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future infringements or violations thereof, (iii) rights to sue for past, present and future infringements or violations thereof and (iv) other rights to use, exploit or practice any or all of the Patents, Trademarks or Copyrights or any other patent, trademark or copyright.

“Patents” shall mean, collectively, with respect to each Pledgor, all patents issued or assigned to and all patent applications made by such Pledgor (whether established or registered or recorded in the United States or any other country or any political subdivision thereof), including, without limitation, those patents, patent applications listed in the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Pledgor’s use of any patents, (ii) inventions and improvements described and claimed therein, (iii) reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, (iv) income, fees, royalties, damages, claims and payments now or hereafter due and/or payable thereunder and with respect thereto including, without limitation, damages and payments for past, present or future infringements thereof, (v) rights corresponding thereto throughout the world and (vi) rights to sue for past, present or future infringements thereof.

“Perfection Certificate” shall mean those certain perfection certificates dated as of the date hereof, executed and delivered by each Pledgor in favor of the Collateral Agent for the benefit of the Credit Parties, and each other Perfection Certificate (which shall be in form and substance reasonably acceptable to the Collateral Agent) executed and delivered by the Guarantor in favor of the Collateral Agent for the benefit of the Credit Parties contemporaneously with the execution and delivery of each Joinder Agreement executed in accordance with SECTION 3.5.

“Pledged Interests” shall mean, collectively, the Initial Pledged Interests and the Additional Pledged Interests; provided, however, that to the extent applicable, Pledged Interests shall not include any interest possessing more than 66% of the voting power or control of all classes of interests entitled to vote of any foreign Subsidiary which is a first-tier CFC to the extent such pledge would result in an adverse tax consequence to the Pledgor and, in any event, shall not include the interests of any Subsidiary otherwise required to be pledged pursuant to this Agreement to the extent that such pledge would constitute an investment of earnings in United

States property under Section 956 (or a successor provision) of the Code, to the extent such pledge would trigger a material increase in the gross income of a United States shareholder of such Subsidiary pursuant to Section 951 (or a successor provision) of the Code.

“Pledged Securities” shall mean, collectively, the Pledged Interests and the Successor Interests.

“Pledgor” shall have the meaning assigned to such term in the Preamble hereof.

“Secured Obligations” shall mean, collectively, the Obligations (as defined in the Credit Agreement) and the Guaranteed Obligations (as defined in the Facility Guaranty).

“Securities Account Control Agreement” shall mean an agreement in form and substance satisfactory to the Collateral Agent with respect to any Securities Account of a Pledgor.

“Securities Collateral” shall mean, collectively, the Pledged Securities, the Intercompany Notes and the Distributions.

“Successor Interests” shall mean, collectively, with respect to each Pledgor, all shares of each class of the capital stock of the successor corporation or interests or certificates of the successor limited liability company, partnership or other entity owned by such Pledgor formed by or resulting from any consolidation or merger in which any Person listed in the Perfection Certificate is not the surviving entity; provided, however, that Successor Interests shall not include shares or interests possessing more than 66% of the voting power or control of all classes of capital stock or interests entitled to vote of any Subsidiary which is a first-tier CFC to the extent such pledge would result in an adverse tax consequence to the Pledgor and, in any event, shall not include shares of stock or interests of any foreign Subsidiary otherwise required to be pledged pursuant to this Agreement to the extent that such pledge would constitute an investment of earnings in United States property under Section 956 (or a successor provision) of the Code, to the extent such pledge would trigger a material increase in the gross income of a United States shareholder of such Pledgor pursuant to Section 951 (or a successor provision) of the Code.

“Trademarks” shall mean, collectively, with respect to each Pledgor, all trademarks (including service marks), slogans, logos, certification marks, trade dress, uniform resource locations (URL’s), domain names, corporate names and trade names, whether registered or unregistered, owned by or assigned to such Pledgor and all registrations and applications for the foregoing (whether statutory or common law and whether established or registered in the United States or any other country or any political subdivision thereof), including, without limitation, the registrations and applications listed in the Perfection Certificate, together with any and all (i) rights and privileges arising under applicable Law with respect to such Pledgor’s use of any trademarks, (ii) reissues, continuations, extensions and renewals thereof, (iii) income, fees, royalties, damages and payments now and hereafter due and/or payable thereunder and with respect thereto, including, without limitation, damages, claims and payments for past, present or future infringements thereof, (iv) rights corresponding thereto throughout the world and (v) rights to sue for past, present and future infringements thereof.

SECTION 1.2. Interpretation. The rules of interpretation specified in the Credit Agreement shall be applicable to this Agreement. In the event of any direct conflict between the terms of this Agreement and the terms of the Credit Agreement, the terms of the Credit Agreement shall control.

SECTION 1.3. Perfection Certificate. The Collateral Agent and each Pledgor agree that the Perfection Certificate and all descriptions of Collateral, schedules, amendments and supplements thereto are and shall at all times remain a part of this Agreement.

ARTICLE II

GRANT OF SECURITY AND SECURED OBLIGATIONS

SECTION 2.1. Pledge. As collateral security for the payment and performance in full of all the Secured Obligations, each Pledgor hereby pledges and grants to the Collateral Agent for its benefit and for the benefit of the Credit Parties, a lien on and security interest in and to all of the right, title and interest of such Pledgor in, to and under all personal property and interests in property, wherever located, and whether now existing or hereafter arising or acquired from time to time (collectively, the "Collateral"), including, without limitation:

- (i) all Accounts;
- (ii) all Equipment, Goods, Inventory and Fixtures;
- (iii) all Documents, Instruments and Chattel Paper;
- (iv) all Letters of Credit and Letter-of-Credit Rights;
- (v) all Securities Collateral;
- (vi) all Investment Property;
- (vii) all Intellectual Property;
- (viii) the Commercial Tort Claims described in the Perfection Certificate;
- (ix) all General Intangibles;
- (x) all Deposit Accounts, including all DDAs;
- (xi) all Supporting Obligations;
- (xii) all books and records relating to the Collateral; and
- (xiii) to the extent not covered by clauses (i) through (xii) of this sentence, all other personal property of such Pledgor, whether tangible or intangible

and all Proceeds and products of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of, each of the foregoing, any and all proceeds of any insurance, indemnity, warranty or guaranty payable to such Pledgor from time to time with respect to any of the foregoing.

Notwithstanding anything to the contrary contained in clauses (i) through (xiii) above, the security interest created by this Agreement shall not extend to, and the term "Collateral" shall not include, any Excluded Property and (i) the Pledgors shall from time to time at the request of the Collateral Agent give written notice to the Collateral Agent identifying in reasonable detail the "Excluded Property" and shall provide to the Collateral Agent such other information regarding the Excluded Property as the Collateral Agent may reasonably request and (ii) from and after the Closing Date, no Pledgor shall permit to become effective in any document creating, governing or providing for any permit, lease or license, a provision that would prohibit the creation of a Lien on such permit, lease or license in favor of the Collateral Agent.

SECTION 2.2. Security Interest.

(a) Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to authenticate and file in any relevant jurisdiction any financing statements (including fixture filings) and amendments thereto that contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment relating to the Collateral, including, without limitation, (i) whether such Pledgor is an organization, the type of organization and any organizational identification number issued to such Pledgor, (ii) any financing or continuation statements or other documents without the signature of such Pledgor where permitted by law, including, without limitation, the filing of a financing statement describing the Collateral as "all assets of the Pledgor, whether now owned or hereafter acquired" and (iii) in the case of a financing statement filed as a fixture filing or covering Collateral constituting minerals or the like to be extracted or timber to be cut, a sufficient description of the real property to which such Collateral relates. Each Pledgor agrees to provide all information described in the immediately preceding sentence to the Collateral Agent promptly upon request.

(b) Each Pledgor hereby further authorizes the Collateral Agent to file filings with the United States Patent and Trademark Office and United States Copyright Office (or any successor office or any similar office in any other country) or other necessary documents for the purpose of perfecting, confirming, continuing, enforcing or protecting the security interest granted by such Pledgor hereunder in any Intellectual Property, without the signature of such Pledgor, and naming such Pledgor, as debtor, and the Collateral Agent, as Credit Party.

ARTICLE III

PERFECTION; SUPPLEMENTS; FURTHER ASSURANCES;
USE OF COLLATERAL

SECTION 3.1. Delivery of Certificated Securities Collateral. Each Pledgor represents and warrants that upon funding under the Credit Facility of at least the amount necessary to pay the GE Indebtedness, all certificates, agreements or instruments representing or evidencing the Securities Collateral and any other Investment Property acquired in existence on the date hereof will be delivered to the Collateral Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank. Each Pledgor represents and warrants that the Collateral Agent will have a security interest in all Securities Collateral and other Investment Property pledged by it hereunder that is in existence on the date hereof and that the applicable Organization Documents do not require the consent of the other shareholders, members, partners or other Person to: (A) permit the Collateral Agent or its designee to be substituted for the applicable Pledgor as a shareholder, member, partner or other equity owner, as applicable, thereto, or (B) enter into this Agreement. Each Pledgor hereby agrees that all certificates, agreements or instruments representing or evidencing Securities Collateral or other Investment Property acquired by such Pledgor after the date hereof, shall promptly upon receipt thereof by such Pledgor be delivered to and held by or on behalf of the Collateral Agent pursuant hereto. All certificated Securities Collateral and other Investment Property acquired after the date hereof 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 upon the occurrence and during the continuance of any Event of Default, to endorse, assign or otherwise transfer to or to register in the name of the Collateral Agent or any of its nominees or endorse for negotiation any or all of the Securities Collateral or other Investment Property, without any indication that such Securities Collateral or Investment Property is subject to the security interest hereunder. In addition, the Collateral Agent shall have the right with written notice to exchange certificates representing or evidencing Securities Collateral or other Investment Property for certificates of smaller or larger denominations.

SECTION 3.2. Perfection of Uncertificated Securities Collateral. Each Pledgor understands that the Collateral Agent desires a perfected first priority security interest in all uncertificated Securities Collateral and other Investment Property pledged by such Pledgor hereunder that is in existence on the date hereof and represents and warrants that the applicable Organization Documents do not require the consent of the other shareholders, members, partners or other Person to: (A) permit the Collateral Agent or its designee to be substituted for the applicable Pledgor as a shareholder, member, partner or other equity owner, as applicable, thereto, or (B) enter into this Agreement. Each Pledgor hereby agrees that if any of the Securities Collateral or other Investment Property is at any time not evidenced by certificates of ownership, then each applicable Pledgor shall, to the extent permitted by applicable Law and upon the request of the Collateral Agent, (A) cause such Securities Collateral to be certificated and delivered to the Collateral Agent or, (B)(i) cause the issuer to execute and deliver to the Collateral Agent an acknowledgment of the pledge of the Securities Collateral and other Investment Property substantially in the form of Exhibit 1 annexed hereto, (ii) if necessary to

perfect a first priority security interest in such Securities Collateral and other Investment Property, cause such pledge to be recorded on the equityholder register or the books of the issuer, execute customary pledge forms or other documents necessary or reasonably requested to complete the pledge and give the Collateral Agent the right to transfer such Securities Collateral and other Investment Property under the terms hereof and, provide to the Collateral Agent an opinion of counsel, in form and substance reasonably satisfactory to the Collateral Agent, confirming such pledge and perfection thereof.

SECTION 3.3. Financing Statements and Other Filings; Maintenance of Perfected Security Interest. Each Pledgor represents and warrants that all filings, registrations and recordings described on Schedule II hereto have been delivered to the Collateral Agent in completed (and, to the extent necessary or appropriate, duly executed) form for filing in each governmental, municipal or other office specified in Schedule II and have been filed in accordance with a letter agreement previously executed by the Pledgors, authorizing such pre-filing, or shall be filed, registered and recorded immediately after the date thereof. Each Pledgor agrees that at the sole cost and expense of the Pledgors, (i) such Pledgor will maintain the security interest created by this Agreement in the Collateral and shall defend such security interest against the claims and demands of all Persons (other than with respect to Permitted Encumbrances), (ii) such Pledgor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail and (iii) at any time and from time to time, upon the written request of the Collateral Agent, such Pledgor shall promptly and duly execute and deliver, and file and have recorded, such further instruments and documents and take such further action as the Collateral Agent may deem reasonably necessary for the purpose of obtaining or preserving the full benefits of this Agreement and the rights and powers herein granted, including the filing of any financing statements, continuation statements and other documents (including the Agreement) under the UCC (or other applicable Laws) in effect in any jurisdiction with respect to the security interest created hereby and the execution and delivery of Blocked Account Agreements, all in form reasonably satisfactory to the Collateral Agent and in such offices (including, without limitation, the United States Patent and Trademark Office) wherever required by law to perfect, continue and maintain a valid, enforceable, first priority security interest in the Collateral as provided herein and to preserve the other rights and interests granted to the Collateral Agent hereunder, as against third parties (other than with respect to Permitted Encumbrances), with respect to the Collateral.

SECTION 3.4. Other Actions. In order to further insure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, the Collateral Agent's security interest in the Collateral, each Pledgor represents, warrants and agrees, in each case at such Pledgor's own expense, with respect to the following Collateral that:

(a) Instruments and Tangible Chattel Paper. As of the date hereof (i) no amount payable under or in connection with any of the Collateral is evidenced by any Instrument or Tangible Chattel Paper other than such Instruments and Tangible Chattel Paper listed in the Perfection Certificate and (ii) each Instrument and each item of Tangible Chattel Paper listed in Schedule V annexed hereto, to the extent requested by the Collateral Agent, has been properly endorsed, assigned and delivered to the Collateral

Agent, accompanied by instruments of transfer or assignment duly executed in blank. If any amount payable under or in connection with any of the Collateral shall be evidenced by any Instrument or Tangible Chattel Paper, the Pledgor acquiring such Instrument or Tangible Chattel Paper shall forthwith endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may reasonably request from time to time.

(b) Deposit Accounts. As of the date hereof it has neither opened nor maintains any Deposit Accounts other than the accounts listed in the Perfection Certificate. No Pledgor shall grant Control of any Deposit Account or any Blocked Account to any Person other than the Collateral Agent. The Pledgors shall at all times comply with the cash receipt provisions set forth in Section 6.13 of the Credit Agreement.

(c) Investment Property. (i) As of the date hereof (a) it has no Securities Accounts other than those listed in the Perfection Certificate or Commodity Accounts other than those listed on Schedule VI annexed hereto, (b) it does not hold, own or have any interest in any certificated securities or uncertificated securities other than those constituting Securities Collateral and those maintained in Securities Accounts listed in the Perfection Certificate and (c) it has entered into a duly authorized, executed and delivered Securities Account Control Agreement with respect to each Securities Account listed in the Perfection Certificate, as applicable.

(ii) If any Pledgor shall at any time hold or acquire any certificated securities constituting Investment Property, other than any securities of foreign Subsidiaries not required to be pledged hereunder, such interest shall constitute Additional Pledged Shares, and such Pledgor shall promptly (a) endorse, assign and deliver the same to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank, all in form and substance reasonably satisfactory to the Collateral Agent or (b) deliver such securities into a Securities Account with respect to which a Securities Account Control Agreement is in effect in favor of the Collateral Agent. If any securities now or hereafter acquired by any Pledgor constituting Investment Property, other than any securities of foreign Subsidiaries not required to be pledged hereunder, are uncertificated and are issued to such Pledgor or its nominee directly by the issuer thereof, such Pledgor shall promptly notify the Collateral Agent thereof and pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (a) cause the issuer to agree to comply with instructions from the Collateral Agent as to such securities, without further consent of any Pledgor or such nominee, (b) cause a Security Entitlement with respect to such uncertificated security to be held in a Securities Account with respect to which the Collateral Agent has Control or (c) arrange for the Collateral Agent to become the registered owner of the securities. Pledgor shall not hereafter establish and maintain any Securities Account or Commodity Account with any Securities Intermediary or Commodity Intermediary unless (1) the applicable Pledgor shall have given the Collateral Agent ten (10) Business Days' prior written notice of its intention to establish such new Securities Account or Commodity Account with such Securities Intermediary or Commodity Intermediary, (2) such Securities Intermediary or Commodity Intermediary shall be reasonably acceptable to the Collateral Agent and (3) such Securities Intermediary or Commodity Intermediary, as the

case may be, and such Pledgor shall have duly executed and delivered a Control Agreement with respect to such Securities Account or Commodity Account, as the case may be. Each Pledgor shall accept any cash and Investment Property which are proceeds of the Pledged Interests in trust for the benefit of the Collateral Agent and within five (5) Business Days of actual receipt thereof, deposit any cash or Investment Property and any new securities, instruments, documents or other property by reason of ownership of the Investment Property received by it into an account in which the Collateral Agent has Control. The Collateral Agent agrees with each Pledgor that the Collateral Agent shall not give any entitlement orders or instructions or directions to any issuer of uncertificated securities, Securities Intermediary or Commodity Intermediary, and shall not withhold its consent to the exercise of any withdrawal or dealing rights by such Pledgor, unless an Event of Default has occurred and is continuing. No Pledgor shall grant control over any Investment Property to any Person other than the Collateral Agent.

(iii) As between the Collateral Agent and the Pledgors, the Pledgors shall bear the investment risk with respect to the Investment Property and Securities Collateral, and the risk of loss of, damage to, or the destruction of the Investment Property and Securities Collateral, whether in the possession of, or maintained as a security entitlement or deposit by, or subject to the control of, the Collateral Agent, a Securities Intermediary, Commodity Intermediary, any Pledgor or any other Person; provided, however, that nothing contained in this SECTION 3.4(c) shall release or relieve any Securities Intermediary or Commodity Intermediary of its duties and obligations to the Pledgors or any other Person under any Control Agreement or under applicable Law. Each Pledgor shall promptly pay all Claims and fees of whatever kind or nature with respect to the Investment Property and Securities Collateral pledged by it under this Agreement. In the event any Pledgor shall fail to make such payment contemplated in the immediately preceding sentence, the Collateral Agent may do so for the account of such Pledgor and the Pledgors shall promptly reimburse and indemnify the Collateral Agent for all costs and expenses incurred by the Collateral Agent under this SECTION 3.4(c) in accordance with Section 11.3 of this Agreement.

(d) Electronic Chattel Paper and Transferable Records. Except as set forth on Schedule VII hereto, as of the date hereof no amount payable under or in connection with any of the Collateral is evidenced by any Electronic Chattel Paper or any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act, or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction). If any amount payable under or in connection with any of the Collateral shall be evidenced by any Electronic Chattel Paper or any transferable record, the Pledgor acquiring such Electronic Chattel Paper or transferable record shall promptly notify the Collateral Agent thereof and shall take such action as the Collateral Agent may reasonably request to vest in the Collateral Agent control under UCC Section 9-105 of such Electronic Chattel Paper or control under Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or, as the case may be, Section 16 of the Uniform Electronic Transactions Act, as so in effect in such jurisdiction, of such transferable record. The Collateral Agent agrees with such Pledgor that the Collateral Agent will arrange, pursuant to procedures reasonably satisfactory to the Collateral Agent and so long as such procedures will not result in the

Collateral Agent's loss of control, for the Pledgor to make alterations to the Electronic Chattel Paper or transferable record permitted under UCC Section 9-105 or, as the case may be, Section 201 of the Federal Electronic Signatures in Global and National Commerce Act of Section 16 of the Uniform Electronic Transactions Act for a party in control to allow without loss of control, unless an Event of Default has occurred and is continuing or would occur after taking into account any action by such Pledgor with respect to such Electronic Chattel Paper or transferable record.

(e) Letter-of-Credit Rights. If such Pledgor is at any time a beneficiary under a Letter of Credit now or hereafter issued in favor of such Pledgor, other than a Letter of Credit issued pursuant to the Credit Agreement, such Pledgor shall promptly notify the Collateral Agent thereof and such Pledgor shall, at the request of the Collateral Agent, pursuant to an agreement in form and substance reasonably satisfactory to the Collateral Agent, either (i) arrange for the issuer and any confirmer of such Letter of Credit to consent to an assignment to the Collateral Agent of the proceeds of any drawing under the Letter of Credit or (ii) arrange for the Collateral Agent to become the transferee beneficiary of such Letter of Credit, with the Collateral Agent agreeing, in each case, that the proceeds of any drawing under the Letter of Credit are to be applied as provided in the Credit Agreement.

(f) Commercial Tort Claims. As of the date hereof it holds no Commercial Tort Claims other than those listed in the Perfection Certificate. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim, such Pledgor shall immediately notify the Collateral Agent in writing signed by such Pledgor of the brief details thereof and grant to the Collateral Agent in such writing a security interest therein and in the Proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to the Collateral Agent.

SECTION 3.5. Joinder of Additional Guarantors. The Pledgors shall cause each direct or indirect Subsidiary of any Loan Party which, from time to time, after the date hereof shall be required to pledge any assets to the Collateral Agent for the benefit of the Credit Parties pursuant to the provisions of the Credit Agreement, to execute and deliver to the Collateral Agent a Perfection Certificate and a Joinder Agreement, in each case, within five (5) Business Days of the date on which it was acquired or created and, upon such execution and delivery, such Subsidiary shall constitute a "Guarantor" and a "Pledgor" for all purposes hereunder with the same force and effect as if originally named as a Guarantor and Pledgor herein, including, but limited to, granting the Collateral Agent a security interest in all Securities Collateral of such Subsidiary. The rights and obligations of each Pledgor hereunder shall remain in full force and effect notwithstanding the addition of any new Guarantor and Pledgor as a party to this Agreement.

SECTION 3.6. Supplements: Further Assurances. Each Pledgor shall take such further actions, and execute and deliver to the Collateral Agent such Collateral Access Agreements or additional assignments, agreements, supplements, powers and instruments, as the Collateral Agent may in its reasonable judgment deem necessary or appropriate, wherever required by law, in order to perfect, preserve and protect the security interest in the Collateral as provided herein and the rights and interests granted to the Collateral Agent hereunder, to carry

into effect the purposes hereof or better to assure and confirm unto the Collateral Agent or permit the Collateral Agent to exercise and enforce its rights, powers and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Pledgor shall make, execute, endorse, acknowledge, file or refile and/or deliver to the Collateral Agent from time to time upon reasonable request of the Collateral Agent such lists, descriptions and designations of the Collateral, copies of warehouse receipts, receipts in the nature of warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, supplements, additional security agreements, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, reports and other assurances or instruments. If an Event of Default has occurred and is continuing, the Collateral Agent may institute and maintain, in its own name or in the name of any Pledgor, such suits and proceedings as the Collateral Agent may be advised by counsel shall be necessary or expedient to prevent any impairment of the security interest in or the perfection thereof in the Collateral. All of the foregoing shall be at the sole cost and expense of the Pledgors. The Pledgors and the Collateral Agent acknowledge that this Agreement is intended to grant to the Collateral Agent for the benefit of the Credit Parties a security interest in and Lien upon the Collateral and shall not constitute or create a present assignment of any of the Collateral.

ARTICLE IV

REPRESENTATIONS, WARRANTIES AND COVENANTS

Each Pledgor represents, warrants and covenants as follows:

SECTION 4.1. Title. To the Knowledge of Lead Borrower's Senior Executive Officers, no financing statement or other public notice with respect to all or any part of the Collateral is on file or of record in any public office, except such as have been filed in favor of the Collateral Agent pursuant to this Agreement or as are permitted by the Credit Agreement. No Person other than the Collateral Agent has control or possession of all or any part of the Collateral, except as permitted by the Credit Agreement.

SECTION 4.2. Limitation on Liens; Defense of Claims; Transferability of Collateral. Each Pledgor is as of the date hereof, and, as to Collateral acquired by it from time to time after the date hereof, such Pledgor will be, the sole direct and beneficial owner of all Collateral pledged by it hereunder free from any Lien or other right, title or interest of any Person other than the Liens and security interest created by this Agreement and Permitted Encumbrances. Each Pledgor shall, at its own cost and expense, defend title to the Collateral pledged by it hereunder and the security interest therein and Lien thereon granted to the Collateral Agent and the priority thereof against all claims and demands of all Persons, at its own cost and expense, at any time claiming any interest therein adverse to the Collateral Agent or any other Credit Party other than Permitted Encumbrances. As of the date hereof, except as permitted by the Credit Agreement, there is no agreement, and, after the date hereof, no Pledgor shall enter into any agreement or take any other action, that would restrict the transferability of any of the Collateral or otherwise impair or conflict with such Pledgors' obligations or the rights of the Collateral Agent hereunder.

SECTION 4.3. Chief Executive Office; Change of Name; Jurisdiction of Organization.

(a) The exact legal name, type of organization, jurisdiction of organization, Federal Taxpayer Identification Number, organizational identification number and chief executive office of such Pledgor is indicated in the Perfection Certificate. Such Pledgor shall furnish to the Collateral Agent prompt written notice of any change in (i) its corporate name, (ii) the location of its chief executive office, its principal place of business, any office in which it maintains books or records relating to Collateral owned by it or any office or facility at which Collateral owned by it is located (including the establishment of any such new office or facility), (iii) its identity or type of organization or corporate structure, (iv) its Federal Taxpayer Identification Number or organizational identification number or (v) its jurisdiction of organization or formation (in each case, including, without limitation, by merging with or into any other entity, reorganizing, dissolving, liquidating, reincorporating or incorporating in any other jurisdiction). Such Pledgor agrees (A) not to effect or permit any such change unless all filings have been made under the UCC or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected first priority security interest in all the Collateral (subject to Permitted Encumbrances) and (B) to take all action reasonably satisfactory to the Collateral Agent to maintain the perfection and priority of the security interest of the Collateral Agent for the benefit of the Credit Parties in the Collateral intended to be granted hereunder. Each Pledgor agrees to promptly provide the Collateral Agent with certified organizational documents reflecting any of the changes described in the preceding sentence.

(b) The Collateral Agent may rely on opinions of counsel as to whether any or all UCC financing statements of the Pledgors need to be amended as a result of any of the changes described in SECTION 4.3(a). If any Pledgor fails to provide information to the Collateral Agent about such changes on a timely basis, the Collateral Agent shall not be liable or responsible to any party for any failure to maintain a perfected security interest in such Pledgor's property constituting Collateral, for which the Collateral Agent needed to have information relating to such changes. The Collateral Agent shall have no duty to inquire about such changes if any Pledgor does not inform the Collateral Agent of such changes, the parties acknowledging and agreeing that it would not be feasible or practical for the Collateral Agent to search for information on such changes if such information is not provided by any Pledgor.

SECTION 4.4. Location of Inventory and Equipment. As of the Closing Date, all Equipment and Inventory of such Pledgor is located at the chief executive office or such other location listed in the Perfection Certificate.

SECTION 4.5. Condition and Maintenance of Equipment. The Equipment of such Pledgor is in good working order and condition, ordinary wear and tear excepted. Each Pledgor shall cause the Equipment to be maintained and preserved in good working order and condition, ordinary wear and tear excepted, and shall as quickly as commercially reasonable make or cause to be made all repairs, replacements and other improvements which are necessary in the conduct of such Pledgor's business except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 4.6. Due Authorization and Issuance. All of the Initial Pledged Interests have been, and to the extent any Pledged Interests are hereafter issued, such shares will be, upon such issuance, duly authorized, validly issued and, to the extent applicable, fully paid and non-assessable. All of the Initial Pledged Interests have been fully paid for, and there is no amount or other obligation owing by any Pledgor to any issuer of the Initial Pledged Interests in exchange for or in connection with the issuance of the Initial Pledged Interests or any Pledgor's status as a partner or a member of any issuer of the Initial Pledged Interests, nor shall there be in the future to the extent any Pledged Interests are hereafter issued.

SECTION 4.7. No Claims. Each Pledgor owns or has rights to use all of the Collateral pledged by it hereunder and all rights with respect to any of the foregoing used in, necessary for or material to such Pledgor's business as currently conducted. The use by such Pledgor of such Collateral and all such rights with respect to the foregoing do not infringe on the rights of any Person other than such infringement which would not, individually or in the aggregate, result in a Material Adverse Effect. No claim has been made and remains outstanding that such Pledgor's use of any Collateral does or may violate the rights of any third Person that would individually, or in the aggregate, have a Material Adverse Effect.

SECTION 4.8. No Conflicts, Consents, etc. No consent of any party (including, without limitation, equity holders or creditors of such Pledgor) and no consent, authorization, approval, license or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or other Person is required (A) for the pledge by such Pledgor of the Collateral pledged by it pursuant to this Agreement or for the execution, delivery or performance hereof by such Pledgor, (B) for the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or (C) for the exercise by the Collateral Agent of the remedies in respect of the Collateral pursuant to this Agreement. Following the occurrence and during the continuation of an Event of Default, if the Collateral Agent desires to exercise any remedies, voting or consensual rights or attorney-in-fact powers set forth in this Agreement and determines it necessary to obtain any approvals or consents of any Governmental Authority or any other Person therefor, then, upon the reasonable request of the Collateral Agent, such Pledgor agrees to use commercially reasonable efforts to assist and aid the Collateral Agent to obtain as soon as commercially practicable any necessary approvals or consents for the exercise of any such remedies, rights and powers.

SECTION 4.9. Collateral. All information set forth herein, including the schedules annexed hereto, and all information contained in any documents, schedules and lists heretofore delivered to any Credit Party in connection with this Agreement, in each case, relating to the Collateral, is accurate and complete in all material respects. The Collateral described on the schedules annexed hereto and as set forth in the Perfection Certificate (to the extent required to be described herein) constitutes all of the property of such type of Collateral owned or held by the Pledgors. Pledgor shall provide prompt notice of any changes to the information disclosed on all schedules to this Agreement (specifying the specific schedule that is being revised).

SECTION 4.10. Insurance. Each Pledgor shall (i) maintain or shall cause to be maintained such insurance as is required pursuant to Section 6.07 of the Credit Agreement; (ii) maintain such other insurance as may be required by applicable Law; and (ii) furnish to the Collateral Agent, upon written request, full information as to the insurance carried. Each

Pledgor hereby irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Pledgor's true and lawful agent (and attorney-in-fact), exercisable only after the occurrence and during the continuance of an Event of Default, for the purpose of making, settling and adjusting claims in respect of the Collateral under policies of insurance, endorsing the name of such Pledgor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Pledgor at any time or times shall fail to obtain or maintain any of the policies of insurance required hereby or to pay any premium in whole or in part relating thereto, the Collateral Agent may, without waiving or releasing any obligation or liability of the Pledgors hereunder or any Default or Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent deems advisable in accordance with Section 11.2 of this Agreement. All sums disbursed by the Collateral Agent in connection with this SECTION 4.10, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Pledgors to the Collateral Agent and shall be additional Secured Obligations secured hereby.

SECTION 4.11. Payment of Taxes; Compliance with Laws; Contested Liens; Claims. Each Pledgor represents and warrants that all Claims imposed upon or assessed against the Collateral have been paid and discharged except to the extent such Claims constitute (i) a Lien not yet due and payable, (ii) a Permitted Encumbrance, or (iii) are being contested by the Pledgor as set forth in Section 6.04 of the Credit Agreement. Each Pledgor shall comply with all applicable Law relating to the Collateral, unless the failure to comply could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. Each Pledgor may at its own expense contest the validity, amount or applicability of any Claims so long as the contest thereof shall be conducted in accordance with, and permitted pursuant to the provisions of, the Credit Agreement. Notwithstanding the foregoing provisions of this SECTION 4.11, no contest of any such obligation may be pursued by such Pledgor if such contest would expose the Collateral Agent or any other Credit Party to (i) any possible criminal liability or (ii) any additional civil liability for failure to comply with such obligations unless such Pledgor shall have furnished a bond or other security therefor satisfactory to the Collateral Agent, or such Credit Party, as the case may be.

SECTION 4.12. Access to Collateral, Books and Records; Other Information. The Collateral Agent and its representatives may examine the Collateral in accordance with Section 6.10 of the Credit Agreement.

SECTION 4.13. Third Party Consents. Each Pledgor shall use reasonable commercial efforts to obtain the consent of third parties to the extent such consent is necessary or desirable to create a valid, perfected security interest in favor of the Collateral Agent in any Collateral.

CERTAIN PROVISIONS CONCERNING SECURITIES COLLATERAL

SECTION 5.1. Pledge of Additional Securities Collateral. Each Pledgor shall, upon obtaining any Securities Collateral of any Person required to be pledged hereunder, accept the same in trust for the benefit of the Collateral Agent and forthwith deliver to the Collateral Agent a pledge amendment, duly executed by such Pledgor, in substantially the form of Exhibit 1 annexed hereto (each, a “Pledge Amendment”), and the certificates and other documents required under SECTION 3.1 and SECTION 3.2 hereof in respect of the additional Securities Collateral which are to be pledged pursuant to this Agreement, and confirming the attachment of the Lien hereby created on and in respect of such additional Securities Collateral. Each Pledgor hereby authorizes the Collateral Agent to attach each Pledge Amendment to this Agreement and agrees that all Securities Collateral listed on any Pledge Amendment delivered to the Collateral Agent shall for all purposes hereunder be considered Collateral.

SECTION 5.2. Voting Rights; Distributions; etc.

(i) So long as no Event of Default shall have occurred and be continuing:

(A) Each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Securities Collateral or any part thereof for any purpose not inconsistent with the terms or purposes hereof, the Credit Agreement or any other document evidencing the Secured Obligations.

(B) The Collateral Agent shall be deemed without further action or formality to have granted to each Pledgor all necessary consents relating to voting rights and shall, if necessary, upon written request of any Pledgor and at the sole cost and expense of the Pledgors, from time to time execute and deliver (or cause to be executed and delivered) to such Pledgor all such instruments as such Pledgor may reasonably request in order to permit such Pledgor to exercise the voting and other rights which it is entitled to exercise pursuant to SECTION 5.2(i)(A) hereof.

(ii) Upon the occurrence and during the continuance of any Event of Default, all rights of each Pledgor to exercise the voting and other consensual rights it would otherwise be entitled to exercise pursuant to SECTION 5.2(i)(A) hereof without any action, other than, in the case of any Securities Collateral, or the giving of any notice shall immediately cease, and all such rights shall thereupon become vested in the Collateral Agent, which shall thereupon have the sole right to exercise such voting and other consensual rights; provided that the Collateral Agent shall have the right, in its sole discretion, from time to time following the occurrence and continuance of an Event of Default to permit such Pledgor to exercise such rights under SECTION 5.2(i). After such Event of Default has been cured, each Pledgor shall have the right to exercise the voting, managerial and other consensual rights and powers that it would otherwise be entitled to pursuant to SECTION 5.2(i) hereof.

(iii) All rights to receive and retain Distributions shall be vested in the Collateral Agent, which shall have the sole right to receive and hold as Collateral such Distributions, subject to the terms of the Credit Agreement.

(iv) Each Pledgor shall, at its sole cost and expense, from time to time execute and deliver to the Collateral Agent appropriate instruments as the Collateral Agent may reasonably request in order to permit the Collateral Agent to exercise the voting and other rights which it may be entitled to exercise pursuant to SECTION 5.2(ii) hereof and to receive all Distributions which it may be entitled to receive under SECTION 5.2(iii) hereof.

(v) All Distributions which are received by any Pledgor contrary to the provisions of SECTION 5.2(iii) hereof shall be received in trust for the benefit of the Collateral Agent, shall be segregated from other funds of such Pledgor and shall immediately be paid over to the Collateral Agent as Collateral in the same form as so received (with any necessary endorsement).

SECTION 5.3. Organization Documents. Each Pledgor has delivered to the Collateral Agent true, correct and complete copies of its Organization Documents. The Organization Documents are in full force and effect and have not as of the date hereof been amended or modified except as disclosed to the Collateral Agent. Except as otherwise permitted under Sections 7.04 of the Credit Agreement, no Pledgor will terminate or agree to terminate any Organization Documents or make any amendment or modification to any Organization Documents, including electing to treat any Pledged Interests of such Pledgor as a security under Section 8-103 of the UCC.

SECTION 5.4. Defaults, etc. Such Pledgor is not in default in the payment of any portion of any mandatory capital contribution, if any, required to be made under any agreement to which such Pledgor is a party relating to the Securities Collateral pledged by it, and such Pledgor is not in violation of any other provisions of any such agreement to which such Pledgor is a party, or otherwise in default or violation thereunder. No Securities Collateral pledged by such Pledgor is subject to any defense, offset or counterclaim, nor have any of the foregoing been asserted or alleged against such Pledgor by any Person with respect thereto, and as of the date hereof, there are no certificates, instruments, documents or other writings (other than the Organization Documents and certificates, if any, delivered to the Collateral Agent) which evidence any Securities Collateral of such Pledgor.

SECTION 5.5. Certain Agreements of Pledgors As Issuers and Holders of Equity Interests.

(i) In the case of each Pledgor which is an issuer of Securities Collateral, such Pledgor agrees to be bound by the terms of this Agreement relating to the Securities Collateral issued by it and will comply with such terms insofar as such terms are applicable to it.

(ii) In the case of each Pledgor which is a partner in a partnership, limited liability company or other entity, such Pledgor hereby consents to the extent required by the applicable Organization Documents to the pledge by each other Pledgor, pursuant to the terms hereof, of the Pledged Interests in such partnership, limited liability company or other entity and,

upon the occurrence and during the continuance of an Event of Default, to the transfer of such Pledged Interests to the Collateral Agent or its nominee and to the substitution of the Collateral Agent or its nominee as a substituted partner or member in such partnership, limited liability company or other entity with all the rights, powers and duties of a general partner or a limited partner or member, as the case may be.

ARTICLE VI

CERTAIN PROVISIONS CONCERNING INTELLECTUAL PROPERTY COLLATERAL

SECTION 6.1. Grant of License. Without limiting the rights of Collateral Agent as the holder of a Lien on the Intellectual Property, for the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies under Article IX hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Collateral Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Pledgor) to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired by such Pledgor, wherever the same may be located, including in such license access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

SECTION 6.2. Registrations. Except pursuant to licenses and other user agreements entered into by any Pledgor in the ordinary course of business and licenses that are listed in Schedule IV, on and as of the date hereof (i) each Pledgor owns and possesses the right to use, and has done nothing to authorize or enable any other Person to use, any material Copyright, Patent or Trademark listed in the Perfection Certificate, and (ii) all material registrations listed in the Perfection Certificate are valid and in full force and effect.

SECTION 6.3. No Violations or Proceedings. To each Pledgor's knowledge, on and as of the date hereof, there is no material violation by others of any right of such Pledgor with respect to any Copyright, Patent or Trademark listed in the Perfection Certificate, respectively, pledged by it under the name of such Pledgor.

SECTION 6.4. Protection of Collateral Agent's Security. On a continuing basis, each Pledgor shall, at its sole cost and expense, (i) promptly following its becoming aware thereof, notify the Collateral Agent of (A) any materially adverse determination in any proceeding in the United States Patent and Trademark Office or the United States Copyright Office with respect to any material Patent, Trademark or Copyright or (B) the institution of any proceeding or any adverse determination in any Federal, state or local court or administrative body regarding such Pledgor's claim of ownership in or right to use any of the Intellectual Property material to the use and operation of the Collateral, its right to register such Intellectual Property or its right to keep and maintain such registration in full force and effect, (ii) maintain and protect the Intellectual Property material to the use and operation of the Collateral as

presently used and operated and as contemplated by the Credit Agreement, (iii) not permit to lapse or become abandoned any Intellectual Property material to the use and operation of the Collateral as presently used and operated and as contemplated by the Credit Agreement, and not settle or compromise any pending or future litigation or administrative proceeding with respect to such Intellectual Property, in each case except as shall be consistent with commercially reasonable business judgment, (iv) upon such Pledgor obtaining knowledge thereof, promptly notify the Collateral Agent in writing of any event which may be reasonably expected to materially and adversely affect the value or utility of the Intellectual Property or any portion thereof material to the use and operation of the Collateral, the ability of such Pledgor or the Collateral Agent to dispose of the Intellectual Property or any portion thereof or the rights and remedies of the Collateral Agent in relation thereto including, without limitation, a levy or threat of levy or any legal process against the Intellectual Property or any portion thereof, (v) not license the Intellectual Property other than licenses entered into by such Pledgor in, or incidental to, the ordinary course of business, or amend or permit the amendment of any of the material licenses in a manner that materially and adversely affects the right to receive payments thereunder, or in any manner that would materially impair the value of the Intellectual Property or the Lien on and security interest in the Intellectual Property intended to be granted to the Collateral Agent for the benefit of the Credit Parties, without the consent of the Collateral Agent, (vi) until the Collateral Agent exercises its rights to make collection, diligently keep adequate records respecting the Intellectual Property and (vii) furnish to the Collateral Agent from time to time upon the Collateral Agent's reasonable request therefor detailed statements and amended schedules further identifying and describing the Intellectual Property and such other materials evidencing or reports pertaining to the Intellectual Property as the Collateral Agent may from time to time request. Notwithstanding the foregoing nothing herein shall prevent any Pledgor from selling, disposing of or otherwise using any Intellectual Property as permitted under the Credit Agreement.

SECTION 6.5. After-Acquired Property. If any Pledgor shall, at any time before the Secured Obligations have been paid in full in cash (other than contingent indemnification obligations which, pursuant to the provisions of the Credit Agreement or the Security Documents, survive the termination thereof), (i) obtain any rights to any additional Intellectual Property or (ii) become entitled to the benefit of any additional Intellectual Property or any renewal or extension thereof, including any reissue, division, continuation, or continuation-in-part of any Intellectual Property, or any improvement on any Intellectual Property, the provisions hereof shall automatically apply thereto and any such item enumerated in clause (i) or (ii) of this SECTION 6.5 with respect to such Pledgor shall automatically constitute Intellectual Property if such would have constituted Intellectual Property at the time of execution hereof and be subject to the Lien and security interest created by this Agreement without further action by any party. With respect to any federally registered Intellectual Property, each Pledgor shall promptly (i) provide to the Collateral Agent written notice of any of the foregoing and (ii) confirm the attachment of the Lien and security interest created by this Agreement to any rights described in clauses (i) and (ii) of the immediately preceding sentence of this SECTION 6.5 by execution of an instrument in form reasonably acceptable to the Collateral Agent.

SECTION 6.6. Modifications. Each Pledgor authorizes the Collateral Agent to modify this Agreement by (i) amending the Perfection Certificate to include any Intellectual

Property acquired or arising after the date hereof of such Pledgor including, without limitation, any of the items listed in SECTION 6.5 hereof, and (ii) taking all such further actions in accordance with Section 2.3 herein or any other section herein as necessary to perfect Collateral Agent's security interest.

SECTION 6.7. Litigation. Unless there shall occur and be continuing any Event of Default, each Pledgor shall have the right to commence and prosecute in its own name, as the party in interest, for its own benefit and at the sole cost and expense of the Pledgors, such applications for protection of the Intellectual Property and suits, proceedings or other actions to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value or other damage as are necessary to protect the Intellectual Property. Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent shall have the right but shall in no way be obligated to file applications for protection of the Intellectual Property and/or bring suit in the name of any Pledgor, the Collateral Agent or the Credit Parties to enforce the Intellectual Property and any license thereunder. In the event of such suit, each Pledgor shall, at the reasonable request of the Collateral Agent, do any and all lawful acts and execute any and all documents requested by the Collateral Agent in aid of such enforcement and the Pledgors shall promptly reimburse and indemnify the Collateral Agent, as the case may be, for all costs and expenses incurred by the Collateral Agent in the exercise of its rights under this SECTION 6.7 in accordance with SECTION 11.3 hereof. In the event that the Collateral Agent shall elect not to bring suit to enforce the Intellectual Property, each Pledgor agrees, at the reasonable request of the Collateral Agent, to take all commercially reasonable actions necessary, whether by suit, proceeding or other action, to prevent the infringement, counterfeiting, unfair competition, dilution, diminution in value of or other damage to any of the Intellectual Property by others and for that purpose agrees to diligently maintain any suit, proceeding or other action against any Person so infringing necessary to prevent such infringement.

ARTICLE VII

CERTAIN PROVISIONS CONCERNING ACCOUNTS

SECTION 7.1. Special Representations and Warranties. All Accounts and all records, papers and documents relating thereto (i) are genuine and correct and in all material respects what they purport to be, (ii) represent the legal, valid and binding obligation of the account debtor, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability, evidencing indebtedness unpaid and owed by such account debtor, arising out of the performance of labor or services or the sale, lease, license, assignment or other disposition and delivery of the goods or other property listed therein or out of an advance or a loan, (iii) are in all material respects in compliance and conform with all applicable material Federal, state and local laws and applicable Laws of any relevant foreign jurisdiction.

SECTION 7.2. Maintenance of Records. Each Pledgor shall keep and maintain at its own cost and expense materially complete records of each Account, in a manner

consistent with prudent business practice, including, without limitation, records of all payments received, all credits granted thereon, all merchandise returned and all other documentation relating thereto. Each Pledgor shall, at such Pledgor's sole cost and expense, upon the Collateral Agent's demand made at any time after the occurrence and during the continuance of any Event of Default, deliver all tangible evidence of Accounts, including, without limitation, all documents evidencing Accounts and any books and records relating thereto to the Collateral Agent or to its representatives (copies of which evidence and books and records may be retained by such Pledgor). Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may transfer a full and complete copy of any Pledgor's books, records, credit information, reports, memoranda and all other writings relating to the Accounts to and for the use by any Person that has acquired or is contemplating acquisition of an interest in the Accounts or the Collateral Agent's security interest therein without the consent of any Pledgor.

SECTION 7.3. Legend. Each Pledgor shall legend, at the request of the Collateral Agent made at any time after the occurrence and during the continuance of any Event of Default and in form and manner reasonably satisfactory to the Collateral Agent, the Accounts and the other books, records and documents of such Pledgor evidencing or pertaining to the Accounts with an appropriate reference to the fact that the Accounts have been assigned to the Collateral Agent for the benefit of the Credit Parties and that the Collateral Agent has a security interest therein.

SECTION 7.4. Modification of Terms, etc. No Pledgor shall rescind or cancel any indebtedness evidenced by any Account or modify any term thereof or make any adjustment with respect thereto, extend or renew any such indebtedness, compromise or settle any dispute, claim, suit or legal proceeding relating thereto, or sell any Account or interest therein, except, in each such case, in the ordinary course of business consistent with prudent business practice, without the prior written consent of the Collateral Agent.

SECTION 7.5. Collection. Each Pledgor shall cause to be collected from the account debtor of each of the Accounts, as and when due in the ordinary course of business consistent with prudent business practice (including, without limitation, Accounts that are delinquent, such Accounts to be collected in accordance with generally accepted commercial collection procedures), any and all amounts owing under or on account of such Account, and apply forthwith upon receipt thereof all such amounts as are so collected to the outstanding balance of such Account. The costs and expenses (including, without limitation, attorneys' fees) of collection, in any case, whether incurred by any Pledgor, the Collateral Agent or any Credit Party in accordance with the terms of the Loan Documents, shall be paid by the Pledgors.

ARTICLE VIII

TRANSFERS AND OTHER LIENS

SECTION 8.1. Transfers of and other Liens on Collateral. No Pledgor shall sell, convey, assign or otherwise dispose of, or grant any option with respect to, any of the Collateral pledged by it hereunder except with respect to Permitted Dispositions.

ARTICLE IX

REMEDIES

SECTION 9.1. Remedies. (a) Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent may from time to time in respect of the Collateral, in addition to the other rights and remedies provided for herein or otherwise available to it:

(i) Personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from any Pledgor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon any Pledgor's premises where any of the Collateral is located, remove such Collateral, remain present at such premises to receive copies of all communications and remittances relating to the Collateral and use in connection with such removal and possession any and all services, supplies, aids and other facilities of any Pledgor;

(ii) Demand, sue for, collect or receive any money or property at any time payable or receivable in respect of the Collateral including, without limitation, instructing the obligor or obligors on any agreement, instrument or other obligation constituting part of the Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent, and in connection with any of the foregoing, compromise, settle, extend the time for payment and make other modifications with respect thereto; provided, however, that in the event that any such payments are made directly to any Pledgor, prior to receipt by any such obligor of such instruction, such Pledgor shall segregate all amounts received pursuant thereto in trust for the benefit of the Collateral Agent and shall promptly pay such amounts to the Collateral Agent;

(iii) Sell, assign, grant a license to use or otherwise liquidate, or direct any Pledgor to sell, assign, grant a license to use or otherwise liquidate, any and all investments made in whole or in part with the Collateral or any part thereof, and take possession of the proceeds of any such sale, assignment, license or liquidation;

(iv) Take possession of the Collateral or any part thereof, by directing any Pledgor in writing to assemble the collateral in any place or places so designated by the Collateral Agent in accordance with Section 9-609 of the UCC, in which event such Pledgor shall at its own expense: (A) forthwith cause the same to be moved to the place or places designated by the Collateral Agent and there delivered to the Collateral Agent, (B) store and keep any Collateral so delivered to the Collateral Agent at such place or places pending further action by the Collateral Agent and (C) while the Collateral shall be so stored and kept, provide such security and maintenance services as shall be necessary to protect the same and to preserve and maintain them in good condition. Time is of the essence regarding each Pledgor's obligation to deliver the Collateral as contemplated in this SECTION 9.1(a)(iv). Upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by any Pledgor of such obligation;

(v) Withdraw all moneys, instruments, securities and other property in any bank, financial securities, deposit or other account of any Pledgor constituting Collateral for application to the Secured Obligations as provided in Article X hereof;

(vi) Retain and apply the Distributions to the Secured Obligations as provided in Article X hereof;

(vii) Exercise any and all rights as beneficial and legal owner of the Collateral, including, without limitation, perfecting assignment of and exercising any and all voting, consensual and other rights and powers with respect to any Collateral; and

(viii) With respect to any Collateral consisting of Inventory, Goods, and Equipment, the Collateral Agent may conduct one or more going out of business sales in the name of the Pledgors, or in the Collateral Agent's own right, or by one or more agents and contractors. Such sale(s) may be conducted upon any premises owned, leased, or occupied by any Pledgor. The Collateral Agent and any such agent or contractor, in conjunction with any such sale, may augment the Inventory with other goods (all of which other goods shall remain the sole property of the Collateral Agent or such agent or contractor). Any amounts realized from the sale of such goods which constitute augmentations to the Inventory (net of an allocable share of the costs and expenses incurred in their disposition) shall be the sole property of the Collateral Agent or such agent or contractor and neither any Pledgor nor any Person claiming under or in right of any Pledgor shall have any interest therein. Each purchaser at any such going out of business sale shall hold the property sold absolutely, free from any claim or right on the part of any Pledgor.

(ix) Exercise all the rights and remedies of a Credit Party under the UCC, and the Collateral Agent may also in its sole discretion, without notice except as specified in SECTION 9.2 hereof, sell, assign or grant a license to use the Collateral or any part thereof in one or more parcels at public or private sale, at any exchange, broker's board or at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable. The Collateral Agent or any other Credit Party or any of their respective Affiliates may be the purchaser, licensee, assignee or recipient of any or all of the Collateral at any such sale and 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, assigned or licensed at such sale, to use and apply any of the Secured Obligations owed to such Person as a credit on account of the purchase price of any Collateral payable by such Person at such sale. Each purchaser, assignee, licensee or recipient at any such sale shall acquire the property sold, assigned or licensed absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives, to the fullest extent permitted by law, all rights of redemption, stay and/or appraisal which 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 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. Each Pledgor hereby waives, to the fullest extent permitted by law, any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral

may have been sold, assigned or licensed at such a private sale was less than the price which 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.

SECTION 9.2. Notice of Sale. Each Pledgor acknowledges and agrees that, to the extent notice of sale or other disposition of Collateral shall be required by law, ten (10) days' prior notice to such Pledgor of the time and place of any public sale or of the time after which any private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to any Pledgor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying (as permitted under law) any right to notification of sale or other intended disposition.

SECTION 9.3. Waiver of Notice and Claims. Each Pledgor hereby waives, to the fullest extent permitted by applicable Law, notice or judicial hearing in connection with the Collateral Agent's taking possession or the Collateral Agent's disposition of any of the Collateral, including, without limitation, any and all prior notice and hearing for any prejudgment remedy or remedies and any such right which such Pledgor would otherwise have under law, and each Pledgor hereby further waives, to the fullest extent permitted by applicable Law: (i) all damages occasioned by such taking of possession, (ii) all other requirements as to the time, place and terms of sale or other requirements with respect to the enforcement of the Collateral Agent's rights hereunder and (iii) all rights of redemption, appraisal, valuation, stay, extension or moratorium now or hereafter in force under any applicable Law. The Collateral Agent shall not be liable for any incorrect or improper payment made pursuant to this Article IX in the absence of gross negligence or willful misconduct. Any sale of, or the grant of options to purchase, or any other realization upon, any Collateral shall operate to divest all right, title, interest, claim and demand, either at law or in equity, of the applicable Pledgor therein and thereto, and shall be a perpetual bar both at law and in equity against such Pledgor and against any and all Persons claiming or attempting to claim the Collateral so sold, optioned or realized upon, or any part thereof, from, through or under such Pledgor.

SECTION 9.4. Certain Sales of Collateral.

(i) Each Pledgor recognizes that, by reason of certain prohibitions contained in law, rules, regulations or orders of any Governmental Authority or Securities Laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Collateral (including and Investment Property), to limit purchasers to those who meet the requirements of such Governmental Authority, or, with respect to such Securities Collateral and Investment Property, to those Persons who will agree, among other things, to acquire such Securities Collateral or Investment Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such sales may be at prices and on terms less favorable to the Collateral Agent than those obtainable through a public sale without such restrictions (including, without limitation, a public offering made pursuant to a registration statement under Securities Laws), and, notwithstanding such circumstances, agrees that: (a) any such sale shall be deemed to have been made in a commercially reasonable manner and that, except as may be required by applicable Law, the Collateral Agent shall have no obligation to engage in public sales, and (b) that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Securities Collateral or

Investment Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under Securities Laws or under applicable state securities laws, even if such issuer would agree to do so.

(ii) If the Collateral Agent determines to exercise its right to sell any or all of the Securities Collateral or Investment Property, upon written request, the applicable Pledgor shall from time to time furnish to the Collateral Agent all such information as the Collateral Agent may reasonably request in order to determine the number of securities included in the Securities Collateral or Investment Property which may be sold by the Collateral Agent as exempt transactions under Securities Laws and the rules of the SEC thereunder, as the same are from time to time in effect.

(iii) Each Pledgor further agrees that a breach of any of the covenants contained in this SECTION 9.4 will cause irreparable injury to the Collateral Agent and other Credit Parties, that the Collateral Agent and the other Credit Parties have no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this SECTION 9.4 shall be specifically enforceable against such Pledgor, and such Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has occurred and is continuing.

SECTION 9.5. No Waiver; Cumulative Remedies.

(i) No failure on the part of the Collateral Agent to exercise, no course of dealing with respect to, and no delay on the part of the Collateral Agent in exercising, any right, power or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power or remedy; nor shall the Collateral Agent be required to look first to, enforce or exhaust any other security, collateral or guaranties. The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

(ii) In the event that the Collateral Agent shall have instituted any proceeding to enforce any right, power or remedy under this Agreement by foreclosure, sale, entry or otherwise, and such proceeding shall have been discontinued or abandoned under Debtor Relief Laws, or for any other reason or shall have been determined adversely to the Collateral Agent, then and in every such case, the Pledgors, the Collateral Agent and each other Credit Party shall be restored to their respective former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Collateral Agent and the other Credit Parties shall continue as if no such proceeding had been instituted.

SECTION 9.6. Certain Additional Actions Regarding Intellectual Property. If any Event of Default shall have occurred and be continuing, upon the written demand of Collateral Agent, each Pledgor shall execute and deliver to Collateral Agent an assignment or assignments of the registered Patents, Trademarks and/or Copyrights and such other documents as are necessary or appropriate to carry out the intent and purposes hereof to the extent such assignment does not result in any loss of rights therein under applicable Law.

ARTICLE X

APPLICATION OF PROCEEDS OF CASUALTY EVENTS AND COLLATERAL DISPOSITIONS

SECTION 10.1. Application of Proceeds. The proceeds received by the Collateral Agent in respect of any sale of, collection from or other realization upon all or any part of the Collateral pursuant to the exercise by the Collateral Agent of its remedies shall be applied, together with any other sums then held by the Collateral Agent pursuant to this Agreement, in accordance with and as set forth in Section 8.03 of the Credit Agreement.

ARTICLE XI

MISCELLANEOUS

SECTION 11.1. Concerning Collateral Agent. Without, in any way, limiting the rights of the Collateral Agent under the Credit Agreement or other Loan Documents:

(i) The Collateral Agent has been appointed as collateral agent pursuant to the Credit Agreement. The actions of the Collateral Agent hereunder are subject to the provisions of the Credit Agreement. The Collateral Agent 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 action (including, without limitation, the release or substitution of the Collateral), in accordance with this Agreement and the Credit Agreement. The Collateral Agent may employ agents and attorneys-in-fact in connection herewith and shall not be liable for the negligence or misconduct of any such agents or attorneys-in-fact selected by it in good faith. The Collateral Agent may resign and a successor Collateral Agent may be appointed in the manner provided in the Credit Agreement. Upon the acceptance of any appointment as the Collateral Agent 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 Collateral Agent under this Agreement, and the retiring Collateral Agent shall thereupon be discharged from its duties and obligations under this Agreement. After any retiring Collateral Agent's resignation, the provisions hereof shall inure to its benefit as to any actions taken or omitted to be taken by it under this Agreement while it was the Collateral Agent.

(ii) The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if such Collateral is accorded treatment substantially equivalent to that which the Collateral Agent, in its individual capacity, accords its own property consisting of similar instruments or interests, it being understood that neither the Collateral Agent nor any of the Credit Parties shall have responsibility for (i) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relating to any Securities Collateral, whether or not the Collateral Agent or any other Credit Party has or is deemed to have knowledge of such matters or (ii) taking any necessary steps to preserve rights against any Person with respect to any Collateral.

(iii) The Collateral Agent shall be entitled to rely upon any written notice, statement, certificate, order or other document or any telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person, and, with respect to all matters pertaining to this Agreement and its duties hereunder, upon advice of counsel selected by it.

(iv) If any item of Collateral also constitutes collateral granted to Collateral Agent under any other deed of trust, mortgage, security agreement, pledge or instrument of any type, in the event of any conflict between the provisions hereof and the provisions of such other deed of trust, mortgage, security agreement, pledge or instrument of any type in respect of such collateral, Collateral Agent, in its sole discretion, shall select which provision or provisions shall control.

SECTION 11.2. Collateral Agent May Perform; Collateral Agent Appointed Attorney-in-Fact. If any Pledgor shall fail to perform any covenants contained in this Agreement or in the Credit Agreement (including, without limitation, such Pledgor's covenants to (i) pay the premiums in respect of all required insurance policies hereunder, (ii) pay Claims, (iii) make repairs, (iv) discharge Liens or (v) pay or perform any obligations of such Pledgor under any Collateral) or if any warranty on the part of any Pledgor contained herein shall be breached, the Collateral Agent may (but shall not be obligated to) do the same or cause it to be done or remedy any such breach, and may expend funds for such purpose; provided, however, that Collateral Agent shall in no event be bound to inquire into the validity of any tax, lien, imposition or other obligation which such Pledgor fails to pay or perform as and when required hereby and which such Pledgor does not contest in accordance with the provisions of the Credit Agreement. Any and all amounts so expended by the Collateral Agent shall be paid by the Pledgors in accordance with the provisions of SECTION 11.3 hereof. Neither the provisions of this SECTION 11.2 nor any action taken by Collateral Agent pursuant to the provisions of this SECTION 11.2 shall prevent any such failure to observe any covenant contained in this Agreement nor any breach of warranty form constituting an Event of Default. Each Pledgor hereby appoints the Collateral Agent its attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor, or otherwise, from time to time after the occurrence and during the continuation of an Event of Default in the Collateral Agent's discretion to take any action and to execute any instrument consistent with the terms of the Credit Agreement and the other Security Documents which the Collateral Agent may deem necessary to accomplish the purposes hereof. The foregoing grant of authority is a power of attorney coupled with an interest and such appointment shall be irrevocable for the term hereof. Each Pledgor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof.

SECTION 11.3. Expenses; Indemnity. Without limiting the provisions of Section 10.04 of the Credit Agreement or other Loan Documents:

(a) Each Pledgor will upon demand pay to the Collateral Agent the amount of any and all reasonable costs and expenses, including the fees and expenses of its counsel and the fees and expenses of any experts and agents which the Collateral Agent may incur in connection with (i) any action, suit or other proceeding affecting the Collateral or any part thereof commenced, in which action, suit or proceeding the Collateral Agent is made a party or participates or in which the right to use the Collateral or any part thereof is threatened, or in

which it becomes necessary in the judgment of the Collateral Agent to defend or uphold the Lien hereof (including, without limitation, any action, suit or proceeding to establish or uphold the compliance of the Collateral with any requirements of any Governmental Authority or law), (ii) the collection of the Secured Obligations, (iii) the enforcement and administration hereof, (iv) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (v) the exercise or enforcement of any of the rights of the Collateral Agent or any Credit Party hereunder or (vi) the failure by any Pledgor to perform or observe any of the provisions hereof. All amounts expended by the Collateral Agent and payable by any Pledgor under this SECTION 11.3 shall be due upon demand therefor (together with interest thereon accruing at the highest rate then in effect under the Credit Agreement during the period from and including twenty (20) days from the date on which Collateral Agent makes demand for payment therefor to the date of repayment) and shall be part of the Secured Obligations.

(b) The Pledgors agree, jointly and severally, to indemnify the Collateral Agent (and any sub-agent thereof), each other Credit Party, and each Subsidiary and Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and to hold each Indemnitee harmless (on a after tax-basis) from, any and all losses, claims, damages, actions, causes of action, damages, liabilities, settlement payments, obligations, costs, and related expenses (including the fees, charges, expenses and disbursements of any counsel for any Indemnitee), incurred, suffered, sustained or required to be paid by any Indemnitee or asserted against any Indemnitee by any third party or by any Pledgor or any other Loan Party arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, the Credit Agreement or any other Loan Document or any other agreement or instrument contemplated hereby, the performance by the Pledgors of their respective obligations thereunder, or the consummation of the transactions contemplated by the Credit Agreement and the other Loan Documents or any other transactions contemplated hereby or thereby, (ii) any Loan or Letter of Credit or the use or proposed use of the proceeds therefrom (including any refusal by the L/C Issuer to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Loan Party or any of its Subsidiaries, or any Environmental Liability related in any way to any Loan Party or any of its Subsidiaries, (iv) any claims of, or amounts paid by any Credit Party to, a Blocked Account Bank or other Person which has entered into a control agreement with any Credit Party hereunder, or (v) any actual or prospective claim, litigation, investigation or proceeding relating to or arising from any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided, however, that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are (x) determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or any Affiliate of such Indemnitee, or (y) result from a claim brought by a Pledgor or any other Loan Party against an Indemnitee for breach of bad faith of such Indemnitee’s obligations hereunder or under any other Loan Document, if the Pledgor or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. In connection with any indemnified claim hereunder, the Indemnitee shall be entitled to select its own counsel and the Pledgors shall promptly pay the reasonable fees and expenses of such counsel.

(c) The provisions of this SECTION 11.3 shall remain operative and in full force and effect regardless of the expiration of the term of this Agreement, the repayment of any of the Loans, the expiration of the Commitments, the expiration of any Letter of Credit, the invalidity or unenforceability of any term or provision of this Agreement or any other Loan Document, or any investigation made by or on behalf of the Agents or any other Credit Party. All amounts due under this SECTION 11.3 shall be payable promptly (but in any event no more than 10 Business Days following) upon written demand therefor accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested.

SECTION 11.4. Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Collateral and shall (i) be binding upon the Pledgors, their respective successors and assigns and (ii) inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and the other Credit Parties and each of their permitted respective successors, transferees and assigns. No other Persons (including, without limitation, any other creditor of any Pledgor) shall have any interest herein or any right or benefit with respect hereto. Without limiting the generality of the foregoing clause (ii), any Credit Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Credit Party, herein or otherwise, subject however, to the provisions of the Credit Agreement.

SECTION 11.5. Termination; Release. The Collateral shall be released from the Lien of this Agreement in accordance with the provisions of the Credit Agreement. Upon termination hereof or any release of Collateral in accordance with the provisions of the Credit Agreement, the Collateral Agent shall, upon the request and at the sole cost and expense of the Pledgors, assign, transfer and deliver to Pledgor, against receipt and without recourse to or warranty by the Collateral Agent, such of the Collateral to be released (in the case of a release) as may be in possession of the Collateral Agent and as shall not have been sold or otherwise applied pursuant to the terms hereof, and, with respect to any other Collateral, proper documents and instruments (including UCC-3 termination statements or releases) acknowledging the termination hereof or the release of such Collateral, as the case may be.

SECTION 11.6. Modification in Writing. No amendment, modification, supplement, termination or waiver of or to any provision hereof, nor consent to any departure by any Pledgor therefrom, shall be effective unless the same shall be made in accordance with the terms of the Credit Agreement and unless in writing and signed by the Collateral Agent. Any amendment, modification or supplement of or to any provision hereof, any waiver of any provision hereof and any consent to any departure by any Pledgor from the terms of any provision hereof shall be effective only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement or any other document evidencing the Secured Obligations, no notice to or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

SECTION 11.7. Notices. Unless otherwise provided herein or in the Credit Agreement, any notice or other communication herein required or permitted to be given shall be given in the manner and become effective as set forth in the Credit Agreement, as to any

Pledgor, addressed to it at the address of the Borrower set forth in the Credit Agreement and as to the Collateral Agent, addressed to it at the address set forth in the Credit Agreement, or in each case at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this SECTION 11.7.

SECTION 11.8. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPLES.

SECTION 11.9. CONSENT TO JURISDICTION AND SERVICE OF PROCESS; WAIVER OF JURY TRIAL. ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY PLEDGOR OR CREDIT PARTY WITH RESPECT TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN, CITY AND STATE OF NEW YORK AND OF THE COURTS OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND BY EXECUTION AND DELIVERY HEREOF, EACH PLEDGOR ACCEPTS FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURTS AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS AGREEMENT. EACH PLEDGOR AGREES THAT SERVICE OF PROCESS IN ANY PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO THE BORROWER AT ITS ADDRESS SET FORTH IN THE CREDIT AGREEMENT OR AT SUCH OTHER ADDRESS OF WHICH THE COLLATERAL AGENT SHALL HAVE BEEN NOTIFIED PURSUANT THERETO. IF ANY AGENT APPOINTED BY ANY PLEDGOR REFUSES TO ACCEPT SERVICE, SUCH PLEDGOR HEREBY AGREES THAT SERVICE UPON IT BY MAIL SHALL CONSTITUTE SUFFICIENT NOTICE. NOTHING HEREIN SHALL AFFECT THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR SHALL LIMIT THE RIGHT OF THE COLLATERAL AGENT TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION. THE PLEDGORS HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 11.10. Severability of Provisions. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 11.11. Execution in Counterparts. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

SECTION 11.12. No Credit for Payment of Taxes or Imposition. No Pledgor shall be entitled to any credit against the principal, premium, if any, or interest payable under the Credit Agreement, and such Pledgor shall not be entitled to any credit against any other sums which may become payable under the terms thereof or hereof, by reason of the payment of any Tax on the Collateral or any part thereof.

SECTION 11.13. No Claims Against Collateral Agent. Nothing contained in this Agreement shall constitute any consent or request by the Collateral Agent, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Collateral or any part thereof, nor as giving any Pledgor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Collateral Agent in respect thereof or any claim that any Lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the Lien hereof.

SECTION 11.14. No Release. Nothing set forth in this Agreement shall relieve any Pledgor from the performance of any term, covenant, condition or agreement on such Pledgor's part to be performed or observed under or in respect of any of the Collateral or from any liability to any Person under or in respect of any of the Collateral or shall impose any obligation on the Collateral Agent or any other Credit Party to perform or observe any such term, covenant, condition or agreement on such Pledgor's part to be so performed or observed or shall impose any liability on the Collateral Agent or any other Credit Party for any act or omission on the part of such Pledgor relating thereto or for any breach of any representation or warranty on the part of such Pledgor contained in this Agreement, the Credit Agreement or the other Loan Documents, or under or in respect of the Collateral or made in connection herewith or therewith. The obligations of each Pledgor contained in this SECTION 11.14 shall survive the termination hereof and the discharge of such Pledgor's other obligations under this Agreement, the Credit Agreement and the other Loan Documents.

SECTION 11.15. Obligations Absolute. All obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of:

(i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of any Pledgor or other matters related to Debtor Relief Laws;

(ii) any lack of validity or enforceability of the Credit Agreement or any other Loan Document, or any other agreement or instrument relating thereto;

(iii) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement or any other Loan Document or any other agreement or instrument relating thereto;

(iv) any pledge, exchange, release or non-perfection of any other collateral, or any release or amendment or waiver of or consent to any departure from any guarantee, for all or any of the Secured Obligations;

(v) any exercise, non-exercise or waiver of any right, remedy, power or privilege under or in respect hereof, the Credit Agreement or any other Loan Document except as specifically set forth in a waiver granted pursuant to the provisions of SECTION 11.6 hereof; or

(vi) any other circumstances which might otherwise constitute a defense available to, or a discharge of, any Pledgor (other than payment in full in cash of Secured Obligations and termination of the Commitments).

SECTION 11.16. Additional Pledgor Waivers. Although the parties hereto fully intend that this Agreement is to be governed in accordance with Section 11.8 of this Agreement, the Pledgors hereby irrevocably waive and agree to the fullest extent permitted by law and to the extent applicable to the Collateral, as follows:

(i) The Pledgors expressly waive any and all benefits which might otherwise be available to the Pledgors under California Civil Code Sections 2787 to 2855, inclusive;

(ii) The Pledgors waive any and all defenses, including but not limited to Pledgors' defense of estoppel discussed in *Union Bank v. Gradsky*, 265 Cal.App.2d 40 (1968), based upon a foreclosure against all or any part of the real property security for the Secured Obligations or the Obligations pursuant to the power of sale contained in any Deed of Trust or any Leasehold Deed of Trust executed by any Pledgor (the "Deed of Trust") or any of the other Security Documents as opposed to proceeding by way of judicial foreclosure. The Pledgors waive all rights and defenses arising out of an election of remedies by the Collateral Agent, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the Pledgor's rights of subrogation and reimbursement by the operation of Section 580d of the California Code of Civil Procedure ("CCP") or otherwise;

(iii) The Pledgors waive all rights and defenses that any Pledgor may have because any of the Borrower's debt or the Secured Obligations are secured by real property. This means, among other things: (i) the Collateral Agent may collect from the Pledgors without first foreclosing on any real or personal property collateral pledged by the Borrower or any other Loan Party, and (ii) if the Collateral Agent forecloses on any real property collateral pledged by any Pledgor, the Borrower or any one or more of the Loan Parties: (a) the amount of debt may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and (b) the Collateral Agent may collect from the Pledgors even if the Collateral Agent, by foreclosing on the real property collateral, have destroyed any right such Pledgor may have to collect from the Borrower or any other Loan Party. This is an unconditional and irrevocable waiver of any rights and defenses the Pledgors may have because Borrower's debt or the Secured Obligations are secured by real property. These

rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the CCP;

(iv) In the case of a power of sale foreclosure under the Deed of Trust, the fair market value of the real property collateral shall be conclusively deemed to be the amount of the successful bid at the foreclosure sale. The Pledgors waive any rights or benefits they may now or hereafter have to a fair value hearing under Section 580a of the CCP. The Collateral Agent shall have absolutely no obligation to make a bid at any foreclosure sale, but rather may make no bid or bid any amount which the Collateral Agent, its sole discretion, deems appropriate;

(v) The Pledgors hereby irrevocably authorize the Collateral Agent to apply any and all amounts received by the Secured Parties in repayment of the Obligations first to amounts which are secured pursuant to the terms of the Deed of Trust and then to amounts which are not secured pursuant to the terms of the Deed of Trust, if any. Each Pledgor hereby waive any and all rights that it has or may hereafter have under Section 2822 of the California Civil Code which provides that if a guarantor is "liable upon only a portion of an obligation and the principal provides partial satisfaction of the obligation, the principal may designate the portion of the obligation that is to be satisfied."

(vi) Each Pledgor warrants and represents to the Collateral Agent that (i) it now has or will continue to have full and complete access to any and all information concerning the transactions contemplated by the Loan Documents referred to therein, the value of the assets owned or to be acquired by the Borrower or any Loan Party under the Loan Documents, their financial status and their respective ability to pay and perform their respective obligations under the Loan Documents; and (ii) the Pledgors have reviewed and approved copies of the Loan Documents and are fully informed of the remedies the Collateral Agent may pursue, with or without notice to the Pledgors, in the event of default under the Loan Documents. The Pledgors shall keep fully informed as to all aspects of the financial condition of the Borrower and other Loan Parties and the performance of their respective obligations under the Loan Documents; and

(vii) The Pledgors agree that the Collateral Agent may exercise any right or remedy hereunder or under any of the Loan Documents without the necessity of resorting to or exhausting any security or collateral for the Secured Obligations or the Obligations. Each Pledgor hereby waives any right it may now or hereafter have to require the Collateral Agent to proceed against the Borrower, to proceed against any other Loan Party or any other guarantor of any of the Obligations, to foreclose any lien on any real or personal property collateral conveyed or assigned to the Collateral Agent by the Pledgors, the Borrower or any other Loan Party, to exercise any right or remedy under the Loan Documents, to draw upon any letter of credit issued in connection with any of the Obligations, or to pursue any other remedy or to enforce any other right under the Loan Documents.

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IN WITNESS WHEREOF, the Pledgors and the Collateral Agent have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

PLEDGORS:

SPORTSMAN'S WAREHOUSE, INC.,
a Utah corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE SOUTH-WEST, INC., a
California corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

MINNESOTA MERCHANDISING CORP.,
to Minnesota corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

PACIFIC FLYWAY WHOLESALE, LLC,
a Delaware limited liability company

by Sportsman's Warehouse, Inc., its sole member

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

[Signature Page – Security Agreement]

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,
a Utah corporation

By: /s/ Kevan Talbot

Name: Kevan Talbot

Title: Chief Financial Officer

WELLS FARGO RETAIL FINANCE, LLC,
as Collateral Agent

By: /s/ Cory Loftus

Name: Cory Loftus

Title: Director

[Signature Page – Security Agreement]

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,
a Utah corporation

By: /s/ Kevan Talbot
Name: Kevan Talbot
Title: Chief Financial Officer

WELLS FARGO RETAIL FINANCE, LLC,
as Collateral Agent

By: /s/ Cory Loftus
Name: Cory Loftus
Title: Director

[Signature Page – Security Agreement]

EXHIBIT 1

[Form of]

SECURITIES PLEDGE AMENDMENT

This Security Pledge Amendment, dated as of _____, is delivered pursuant to SECTION 5.1 of that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement;" capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of _____, 2010, made by SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, MINNESOTA MERCHANDISING CORP., a Minnesota corporation, SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a California corporation, and PACIFIC FLYWAY WHOLESAL, LLC, a Delaware limited liability company, as Borrowers, and SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah corporation, as Guarantor, in favor of WELLS FARGO RETAIL FINANCE, LLC, as collateral agent for the Credit Parties (in such capacity and together with any successors in such capacity, the "Collateral Agent"). The undersigned hereby agrees that this Pledge Amendment may be attached to the Security Agreement and that the Securities Collateral listed on this Pledge Amendment shall be deemed to be and shall become part of the Collateral and shall secure all Obligations.

PLEGDED SECURITIES

<u>ISSUER</u>	<u>CLASS OF STOCK OR INTERESTS</u>	<u>PAR VALUE</u>	<u>CERTIFICATE NO(s).</u>	<u>NUMBER OF SHARES OR INTERESTS</u>	<u>PERCENTAGE OF ALL ISSUED CAPITAL OR OTHER EQUITY INTERESTS OF ISSUE</u>
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[Exhibit 1]

INTERCOMPANY NOTES

<u>ISSUER</u>	<u>PRINCIPAL AMOUNT</u>	<u>DATE OF ISSUANCE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>
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[],
as Pledgor

By: _____
Name:
Title:

AGREED TO AND ACCEPTED:

WELLS FARGO RETAIL FINANCE, LLC, as Collateral Agent

By: _____
Name:
Title:

EXHIBIT 2

[Form of]

JOINDER AGREEMENT

[Name of New Pledgor]
[Address of New Pledgor]

[Date]

Ladies and Gentlemen:

Reference is made to that certain security agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, the "Security Agreement," capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Security Agreement), dated as of _____, 2010, made by SPORTSMAN'S WAREHOUSE, INC., a Utah corporation, MINNESOTA MERCHANDISING CORP., a Minnesota corporation, SPORTSMAN'S WAREHOUSE SOUTHWEST, INC., a California corporation, and PACIFIC FLYWAY WHOLESALE, LLC, a Delaware limited liability company, as Borrowers, and SPORTSMAN'S WAREHOUSE HOLDINGS, INC., a Utah corporation, as Guarantor in favor of WELLS FARGO RETAIL FINANCE, LLC, as collateral agent for the Credit Parties (in such capacity and together with any successors in such capacity, the "Collateral Agent").

This letter supplements the Security Agreement and is delivered by the undersigned, [_____] (the "New Pledgor"), pursuant to SECTION 3.5 of the Security Agreement. The New Pledgor hereby agrees to be bound as a Guarantor and as a Pledgor by all of the terms, covenants and conditions set forth in the Security Agreement to the same extent that it would have been bound if it had been a signatory to the Security Agreement on the execution date of the Security Agreement. Without limiting the generality of the foregoing, the New Pledgor hereby grants and pledges to the Collateral Agent, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Secured Obligations, a Lien on and security interest in, all of its right, title and interest in, to and under the Collateral and expressly assumes all obligations and liabilities of a Guarantor and Pledgor thereunder. The New Pledgor hereby makes each of the

[Exhibit 1]

representations and warranties and agrees to each of the covenants applicable to the Pledgors contained in the Security Agreement and the Credit Agreement.

Annexed hereto are supplements to each of the schedules to the Security Agreement, Credit Agreement, and Perfection Certificate, as applicable, with respect to the New Pledgor. Such supplements shall be deemed to be part of the Security Agreement, the Credit Agreement, or the Perfection Certificate as applicable.

This agreement and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPLES.

IN WITNESS WHEREOF, the New Pledgor has caused this letter agreement to be executed and delivered by its duly authorized officer as of the date first above written.

[NEW PLEDGOR]

By:

Name:
Title:

AGREED TO AND ACCEPTED:

WELLS FARGO RETAIL FINANCE, LLC,
as Collateral Agent

By: _____
Name:
Title:

[Schedules to be attached]

Schedule I

Intercompany Notes

The Intercompany Note, dated as of August 14, 2009 by and among Sportsman's Warehouse Holdings, Inc., Sportsman's Warehouse, Inc., Minnesota Merchandising Corp., Sportsman's Warehouse Southwest, Inc. and Pacific Flyway Wholesale, LLC.

Schedule II

Filings, Registrations and Recordings

All asset UCC-1 Financing Statement naming Sportsman's Warehouse, Inc. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party to be filed with the Utah Department of Commerce.

All asset UCC-1 Financing Statement naming Sportsman's Warehouse Holdings, Inc. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party to be filed with the Utah Department of Commerce.

All asset UCC-1 Financing Statement naming Sportsman's Warehouse Southwest, Inc. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party to be filed with the California Secretary of State.

All asset UCC-1 Financing Statement naming Minnesota Merchandising Corp. as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party to be filed with the Minnesota Secretary of State.

All asset UCC-1 Financing Statement naming Pacific Flyway Wholesale, LLC as Debtor and the Wells Fargo Retail Finance, LLC as Secured Party to be filed with the Delaware Secretary of State.

Grant of Security Interest in United States Trademarks naming Sportsman's Warehouse, Inc. as Grantor and the Wells Fargo Retail Finance, LLC as Grantee to be filed with the United States Patent and Trademark Office.

Schedule III

Initial Pledged Interests

<u>Issuer</u>	<u>Name of Stockholder</u>	<u>Class</u>	<u>Number of Shares</u>	<u>Certificate No.</u>
Sportsman's Warehouse, Inc.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100	1
Minnesota Merchandising Corp.	Sportsman's Warehouse Holdings, Inc.	Common Stock	100	1
Sportsman's Warehouse Southwest, Inc.	Sportsman's Warehouse, Inc.	Common Stock	100	1
Pacific Flyway Wholesale, LLC	Sportsman's Warehouse, Inc.	Percentage Interests	100% of the Percentage Interests	Uncertificated

Schedule IV

Licenses

None.

Schedule V

Tangible Chattel Paper

None.

Schedule VI

Commodity Accounts

None.

Schedule VII

Electronic Chattel Paper

None.

AGREEMENT

This Agreement (this "Agreement") is made as of November ____, 2013, by and between **SPORTSMAN'S WAREHOUSE HOLDINGS, INC.**, a Utah corporation (including its successors and assigns, the "Company") and [____], an individual (the "Stockholder").

RECITALS

WHEREAS, pursuant to the Restricted Stock Purchase Agreement[s] dated [____] [and [____]] between the Company and the Stockholder (such agreement[s], the "Restricted Stock Purchase Agreement[s]") and the Company 2010 Equity Incentive Plan (the "2010 Plan"), the Stockholder purchased [an aggregate of] [____] shares of Restricted Nonvoting Common Stock, par value \$0.01 per share, of the Company (collectively, the "Utah Securities") at the purchase price[s] set forth in the Restricted Stock Purchase Agreement[s];

WHEREAS, the Restricted Stock Purchase Agreement[s] provided that the Utah Securities are subject to the Restricted Stock Purchase Agreement[s], the 2010 Plan and the Company's Amended Articles of Incorporation;

WHEREAS, the Company is undertaking to reincorporate in Delaware (the "Reincorporation"), in which event the Utah Securities will, upon the effective time of the Reincorporation, be converted into an equal number of shares of Restricted Nonvoting Common Stock, par value \$0.01 per share, of the Delaware corporation (the "Delaware Securities"); and

WHEREAS, in connection with the Reincorporation, the Company and the Stockholder desire to memorialize the restrictions pertaining to the Utah Securities and to set forth certain additional provisions (including a tag along right and a public offering lock-up agreement) in this Agreement (which restrictions and other additional provisions will, upon the effective time of the Reincorporation, be binding upon the Delaware Securities).

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1
ACKNOWLEDGMENTS, REPRESENTATIONS AND WARRANTIES**

1.1 Stockholder Acknowledgments. The Stockholder understands and acknowledges that:

(a) The offer and sale of the Delaware Securities, if the Reincorporation is deemed to be an offer and sale of the Delaware Securities, is intended to be exempt from registration under the Securities Act of 1933, as amended (the "Securities Act").

(b) The offer and sale of the Delaware Securities, if the Reincorporation is deemed to be an offer and sale of the Delaware Securities, has not been registered under the Securities Act; there is no existing public or other market for the Delaware Securities; and the Utah Securities are, and the Delaware Securities will be, subject to repurchase and to contractual and legal restrictions on transfer. There can be no assurance that the Stockholder will be able to sell or dispose of the Delaware Securities.

1.2 Stockholder Representation and Warranties. The Stockholder represents and warrants to the Company that:

(a) The Delaware Securities will be held by the Stockholder for the Stockholder's own account, not as a nominee or agent for any other person, and without a view to the distribution of the Delaware Securities or any interest in them in violation of the Securities Act; and the Stockholder will not dispose of the Delaware Securities in contravention of the Securities Act, any applicable state securities laws, the 2010 Plan or this Agreement.

(b) The Stockholder has been provided, to his/her satisfaction, the opportunity to ask questions concerning the terms and conditions of the Delaware Securities, has had all such questions answered to his/her satisfaction and has been supplied all additional information requested by him/her to verify the accuracy of the information furnished.

(c) The Stockholder has full legal capacity to enter into this Agreement and to carry out the transactions it contemplates. This Agreement is a valid and binding agreement of the Stockholder, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

(d) If the Stockholder is married, he/she has delivered a spousal consent in the form attached to this Agreement.

(e) At no time was the Stockholder presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television, internet or other form of general advertising or solicitation in connection with the Delaware Securities.

(f) The Stockholder has read and understood this Agreement prior to signing it, is fully aware of the Stockholder's rights and obligations under this Agreement, has entered into this Agreement freely and voluntarily and has been advised to seek legal counsel (and has consulted with legal counsel or has affirmatively chosen not to do so).

1.3 Company Representation and Warranties. The Company represents and warrants to the Stockholder that:

(a) The Company is and the Delaware corporation, at the time of the Reincorporation, will be duly organized, validly existing and in good standing under the laws of the States of Utah and Delaware, respectively, and has, or will have, the requisite corporate power and authority to carry on its business as now being conducted by the Company.

(b) The Company has the corporate power and authority to enter into this Agreement. The execution and delivery of this Agreement have been duly authorized by all corporate action on the part of the Company. This Agreement is enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity.

ARTICLE 2 CONTRACTUAL UNDERTAKINGS

From and after the effective time of the Reincorporation, the Company will be governed by the Amended and Restated Certificate of Incorporation (the "Delaware Charter"), the form of which is attached hereto as Exhibit A and which sets forth certain of the rights, powers and preferences of the Delaware Securities. The provisions of the Delaware Charter may be altered, amended or repealed in accordance with its terms and applicable law, and the Stockholder hereby agrees that any rights granted in the Delaware Charter are subject to this reservation. The Stockholder hereby acknowledges and agrees to the following, effective upon the Reincorporation:

2.1 Covenants. The Stockholder agrees to abide by the non-competition restrictions, non-solicitation restrictions, confidentiality restrictions, non-disparagement restrictions and other restrictive covenants as set forth in the attached Exhibit B.

2.2 No Transferability. The Stockholder may not transfer, sell, assign, pledge or otherwise encumber any share of the Delaware Securities without the prior written approval of the board of directors of the Company, which consent may be withheld by the board of directors in its sole discretion, except upon exercise of the Company's repurchase right or in connection with a Drag Sale or Tag-Along Sale (each as defined below). Any attempted transfer, sale, assignment, pledge or other encumbrance of Delaware Securities other than in accordance with the preceding sentence will be null and void, and the Company will not recognize any such transfer and will not reflect on its records any change in record ownership of Delaware Securities pursuant to any such transfer.

2.3 Repurchase.

(a) Upon Cessation of Employment. If the Stockholder ceases for any reason or no reason to be employed by the Company or its affiliates, the Company may repurchase, out of the assets of the Company legally available therefor, all (but not less than all) of the outstanding shares of Delaware Securities held by the Stockholder at a price per share equal to the then fair market value of such shares. If the Stockholder's employment by the Company or its affiliates ceases on or prior to January 30, 2016, then the board of directors of the Company will determine such fair market value based on an enterprise value of the Company equal to (x) the Company's adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") for the fiscal year ended February 2, 2013, less (y) debt and similar obligations of the Company, times (z) a multiple of four. If the Stockholder's employment by the Company or its affiliates ceases after January 30, 2016, then the board of directors of the Company will determine such fair market value based on an enterprise value of the Company equal to (x) the

Company's adjusted EBITDA for the then most recently completed fiscal year, less (y) debt and similar obligations of the Company, times (z) a multiple of four. The components of EBITDA, debt and similar obligations will be determined by the board of directors of the Company in its sole discretion. The Company's right to repurchase shares of Delaware Securities upon cessation of the Stockholder's employment must be exercised within ninety (90) days following cessation of the Stockholder's employment. The Company shall deliver written notice of repurchase within such period and pay the amount specified in such notice to the Stockholder.

(b) Upon Breach of Covenant. Notwithstanding the foregoing, if at any time the Stockholder breaches any non-competition restrictions, non-solicitation restrictions, confidentiality restrictions, non-disparagement restrictions or other restrictive covenants in this Agreement, the Company's repurchase right may be exercised at any time after such breach upon payment of the price per share as determined in Section 2.3(a) of this Agreement.

(c) In either case, at the time of repurchase, the rights of the Stockholder in respect of the Delaware Securities shall cease, except for the right to receive the repurchase price as specified above, without interest.

(d) The Company's repurchase right shall terminate upon the first to occur of (i) a Registration (as defined and described in Section 2.7(a) below) or (ii) a Change in Control Event. For purposes of this Agreement, "Change in Control Event" means either of the following:

(1) The acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the combined voting power of the then-outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); provided, however, that, for purposes of this paragraph (1), the following acquisitions shall not constitute a Change in Control Event; (A) any acquisition directly from the Company, (B) any acquisition by the Company, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any affiliate or a successor, or (D) any acquisition by a Person who is the beneficial owner (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 50% or more of the Outstanding Company Voting Securities on the date of this Agreement (or an affiliate, heir, descendant, or related party of or to such Person); or

(2) Consummation of a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction involving the Company, a sale or other disposition of all or substantially all of the assets of the Company (each, a "Business Combination"), in each case unless, following such Business Combination, (1) all or substantially all of the individuals and entities that were the beneficial owners of the Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 50% of the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors of the entity resulting from such Business Combination (including, without limitation, an entity that, as a result of such transaction, owns the Company or all or substantially all of the Company's assets directly or

through one or more subsidiaries (a “Parent”), and (2) no Person (excluding any individual or entity described in clause (D) of paragraph (1) above) beneficially owns (within the meaning of Rule 13d-3 promulgated under the Exchange Act), directly or indirectly, more than 50% of, respectively, the combined voting power of the then-outstanding voting securities of such entity; provided, however, that, for purposes of this paragraph (2), a reorganization, merger, statutory share exchange or consolidation or similar corporate transaction effected for the principal purpose of reincorporation of the Company shall not constitute a Change in Control Event.

2.4 Drag Along. If at any time the holders of the Company’s Voting Common Stock, par value \$0.01 per share (the “Voting Common Stock”), approve the sale or other transfer for value (including by merger, statutory share exchange, consolidation or similar transaction) of all of the shares of Voting Common Stock (a “Drag Sale”), the Stockholder will raise no objections against the Drag Sale, waive any dissenters’ and appraisal rights that the Stockholder may have with respect to the Drag Sale to the extent permitted by law, and transfer such shares in the Drag Sale, so long as all holders of Delaware Securities receive the same form and amount of consideration as all holders of shares of Voting Common Stock (pro rata based on their proportionate ownership of the aggregate shares of Delaware Securities and Voting Common Stock on a fully-diluted basis) and are subject to terms and conditions of the Drag Sale that are no less favorable than those applicable to holders of Voting Common Stock. Notwithstanding the foregoing provisions of this Section 2.4, the Stockholder agrees to retain and/or rollover up to 25% of the Delaware Securities as may be requested by the proposed purchaser of the Company’s Voting Common Stock and in connection with doing so to execute and enter into a customary agreement or agreements (which may include a stockholders’ agreement containing a drag along, right of first refusal and other transfer restrictions) to reflect the retention and/or rollover of such shares.

2.5 Tag Along.

(a) If affiliates of Seidler Equity Partners III, L.P. (collectively referred to as “Seidler”), at any time or from time to time, enter into an agreement with an unaffiliated third party (the “Buyer”) to transfer, sell or otherwise dispose of, directly or indirectly (a “Tag-Along Sale”), any (but less than all of the) Voting Common Stock, then the Stockholder shall have the right, but not the obligation, to participate in such Tag-Along Sale (and to displace Seidler to the extent of such participation) by selling up to the number of shares of the Delaware Securities (the “Stockholder’s Allotment”) equal to the product of (x) and (y) where (x) equals (i) the total number of shares of Delaware Securities owned by the Stockholder immediately prior to the Tag-Along Sale multiplied by (ii) a fraction, the numerator of which shall equal the aggregate number of shares of Voting Common Stock to be purchased by the Buyer from Seidler and any other holders of Voting Common Stock, and the denominator of which shall equal the aggregate number of shares of Voting Common Stock and Delaware Securities outstanding immediately prior to the Tag-Along Sale and (y) equals seventy-five percent (75%). If the Stockholder elects not to sell the full amount of the Stockholder’s Allotment, Seidler shall be permitted to sell its shares of Voting Common Stock that would have otherwise been displaced pursuant to the Stockholder’s participation in the Tag-Along Sale.

(b) Any such sale by the Stockholder shall be on the same terms and conditions as the proposed Tag-Along Sale by Seidler; provided, however, that the Stockholder

shall share pro rata, based upon the number of shares of Delaware Securities and Voting Common Stock being sold by the Stockholder, (i) in any indemnity liabilities to the Buyer in the Tag-Along Sale, including any liabilities for representations or warranties made by the Company or Seidler with respect to the Company (other than representations made by Seidler with respect to itself and representations as to unencumbered ownership of and ability to transfer the shares being sold of any other seller in the Tag-Along Sale, which shall be the sole responsibility of such other seller) and (ii) in any escrow for the purpose of satisfying any such indemnity liabilities.

(c) The foregoing notwithstanding, Section 2.5(a) shall not apply to (i) any transfer, sale or other disposition of shares of Voting Common Stock solely among Seidler and its Affiliates (or to Affiliates of the Affiliate) or (ii) any merger, statutory share exchange or consolidation of the Company with or into another entity (whether or not the Company is the surviving entity) or a sale of all or substantially all of the assets of the Company followed by its dissolution, provided that all shares of Voting Common Stock and Delaware Securities are treated the same in any such transaction.

(d) Seidler shall promptly provide the Stockholder with written notice (the "Tag-Along Sale Notice") not more than 60 nor less than 10 days prior to the proposed date of the Tag-Along Sale (the "Tag-Along Sale Date"). The Tag-Along Sale Notice shall set forth: (i) the name and address of the Buyer; (ii) the number of shares of Voting Common Stock proposed to be transferred or sold in the Tag-Along Sale; (iii) the proposed amount and form of consideration to be paid for such shares of Voting Common Stock and the terms and conditions of payment offered by each proposed transferee or purchaser; (iv) the aggregate number of shares of Delaware Securities held of record by the Stockholder as of the close of business on the date of the Tag-Along Sale Notice (the "Tag-Along Notice Date") and the aggregate number of shares of Delaware Securities outstanding on the Tag-Along Notice Date; (v) the number of shares of Delaware Securities constituting the Stockholder's Allotment; (vi) confirmation that the Buyer has been informed of the "Tag-Along Rights" provided for herein and has agreed to purchase shares of Voting Common Stock and Delaware Securities in accordance with the terms hereof; and (vii) the Tag-Along Sale Date.

(e) The Stockholder shall provide written notice (the "Tag-Along Notice") to Seidler, by the sooner to occur of (A) ten (10) days after the Tag-Along Sale Notice was provided to the Stockholder or (B) five (5) days prior to the Tag-Along Sale Date. The Tag-Along Notice shall set forth the number of shares of Delaware Securities, if any, that the Stockholder desires to include in the Tag-Along Sale (which shall not exceed the Stockholder's Allotment).

(f) If a Tag-Along Notice is not received by Seidler from the Stockholder within the period specified above, Seidler shall have the right to sell or otherwise transfer the number of shares of Voting Common Stock specified in the Tag-Along Sale Notice to the Buyer without any participation of the Stockholder, but only on the terms and conditions stated in such Tag-Along Sale Notice.

(g) The provisions of this Section 2.5 shall apply regardless of the form of consideration received in the Tag-Along Sale.

(h) For purposes of this Section 2.5, an “Affiliate” of a specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For the purposes of this definition, “control,” when used with respect to any person, means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

2.6 Legend. All certificates evidencing the Delaware Securities will bear the following legends and/or any other appropriate or required legends under applicable laws:

“THE SECURITIES EVIDENCED BY THIS CERTIFICATE ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER UNDER APPLICABLE LAW AND UNDER AGREEMENTS WITH THE CORPORATION, INCLUDING RESTRICTIONS ON SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION.”

“THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE CORPORATION’S RIGHT TO REPURCHASE THE SECURITIES AND OTHER AGREEMENTS WITH THE CORPORATION, COPIES OF WHICH ARE AVAILABLE FOR REVIEW UPON REQUEST AND WITHOUT CHARGE.”

“THE OFFER AND SALE OF THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“ACT”), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL TO THE CORPORATION, REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.”

2.7 Termination of Certain Contractual Undertakings Upon a Registration.

(a) In the event at a future date that the Company completes a transaction of its Voting Common Stock pursuant to which such class of securities becomes registered under Section 12(b) of the Exchange Act (a “Registration”), the following provisions of this Agreement shall, notwithstanding anything herein to the contrary, automatically terminate: Sections 2.2 (No Transferability), 2.3 (Repurchase), 2.4 (Drag Along) and 2.5 (Tag Along). For purposes of clarity, Section 2.1 (Covenants) and this Section 2.7 shall survive the completion of a Registration.

(b) Upon completion of a Registration, the legend referred to in Section 2.6 above shall be revised in its entirety to read as follows:

“THE OFFER AND SALE OF THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“ACT”), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL TO THE CORPORATION, REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS.”

ARTICLE 3 OTHER AGREEMENT

3.1 Lock-Up Agreement. The Stockholder agrees, unless otherwise agreed to by the managing underwriter for any underwritten offering, not to effect any sale or distribution of any equity securities of the Company or securities convertible into or exchangeable or exercisable for equity securities of the Company, including any sale under Rule 144 under the Securities Act, or engage in any other activities with respect to such securities as may be reasonably requested by such managing underwriter, (i) during the fourteen (14) days prior to such offering and for one hundred eighty (180) days after the closing of such offering or such shorter period of time acceptable to the managing underwriter of such offering, if any, or (ii) following the closing of the first of such offerings, during the fourteen (14) days prior to the closing of such offering and for ninety (90) days after the closing of such offering or such shorter period of time acceptable to the managing underwriter of such underwritten offering, if any.

ARTICLE 4 MISCELLANEOUS

4.1 Further Assurance. Each party will promptly execute and deliver to the other any further instruments and documents and take any further action the other reasonably requests in order to carry out the full intent and purpose of this Agreement.

4.2 Successors and Assigns. Upon its acceptance by the Company, this Agreement will be binding upon and inure to the benefit of the Company and its successors and assigns, including the Delaware corporation following the Reincorporation, and the Stockholder and his/her successors, assigns, transferees, heirs, beneficiaries, executors and administrators.

4.3 Enforceability. The determination by a court of competent jurisdiction that any provision of this Agreement is unenforceable, illegal or invalid will not affect the enforceability, legality or validity of the other provisions of this Agreement. Upon such a determination, the parties will negotiate in good faith to modify this Agreement so as to implement the original intent of the parties as closely as possible.

4.4 Governing Law. Delaware law (without reference to conflicts of laws) will govern the enforcement and interpretation of this Agreement.

4.5 Waiver of Jury Trial. The Stockholder hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement.

4.6 Jurisdiction. The parties agree that any action seeking to enforce any provision of, or based on any matter arising out of or in connection with, this Agreement shall be brought in the Delaware Chancery Court or, if such court shall not have jurisdiction, any federal court located in the State of Delaware or other Delaware state court, and each of the parties irrevocably consents to the jurisdiction of such courts (and of the appropriate appellate courts therefrom) in any such action and irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of the venue of any such action in any such court or that any such action brought in any such court has been brought in an inconvenient forum.

4.7 No Waiver. No course of dealing or any delay or failure to exercise any right, power or remedy under this Agreement on the part of any party will operate as a waiver of or otherwise prejudice such party's rights, powers or remedies.

4.8 Equitable Remedies. The Stockholder acknowledges and agrees that the remedy at law for any breach or threatened breach by the Stockholder of the covenants in this Agreement would be inadequate, and any such breach or threatened breach would cause immediate, irreparable and permanent damage to the Company, the extent of which would be impossible or difficult to ascertain. Accordingly, the Stockholder agrees that in the event of any such breach or threatened breach, and in addition to any and all remedies at law or otherwise provided in this Agreement, the Company may specifically enforce this Agreement against the Stockholder and may obtain temporary and/or permanent injunctive relief (including a mandatory injunction) without the necessity of proving actual damage or the lack of an adequate remedy at law, and, to the extent permissible under applicable rules of provision and statutes, a temporary injunction may be granted immediately upon the commencement of any suit relating to this Agreement regardless of whether the Stockholder has actually received notice of the breach. Such remedy will be cumulative and not exclusive, and will be in addition to any other remedy or remedies available to the Company.

4.9 Restricted Stock Purchase Agreement[s]. The Restricted Stock Purchase Agreement[s] shall continue to govern with respect to the Utah Securities until the Reincorporation has taken effect. Upon the Reincorporation, this Agreement shall govern with respect to the Delaware Securities. For purposes of clarity, Article 1 of the Restricted Stock Purchase Agreement[s] shall survive the execution of this Agreement and the effectiveness of the Reincorporation.

4.10 Counterparts. This Agreement may be executed in counterparts.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.

By: _____

Name:

Title:

STOCKHOLDER

Consent of Spouse

I, _____, am the spouse of _____, who is an employee of Sportsman’s Warehouse Holdings, Inc., a Utah corporation (including its successors and assigns, the “Company”) and/or the Company’s affiliates. I hereby acknowledge that I have read that certain Agreement and its accompanying exhibits (the “Agreement”) between the Company and my spouse. I further acknowledge that I understand the contents of the Agreement. I am aware that the Agreement contains numerous provisions that (a) affect my spouse and the Delaware Securities (as defined in the Agreement) that may be granted to my spouse, including, without limitation, provisions that provide for the forfeiture of such Delaware Securities and repurchase of such Delaware Securities under certain circumstances, and (b) impose other restrictions on the transfer of such Delaware Securities. I hereby consent to the Agreement and agree to be bound by the provisions of the Agreement (as to the Delaware Securities), and any other agreements now or hereafter entered into by my spouse in connection with such Delaware Securities as and to the same extent as if an initial named party thereto and as amended from time to time. Specifically, I agree that my spouse’s interest in the Delaware Securities is subject to the Agreement and any direct or indirect interest I may have in such Securities shall also be irrevocably bound by the Agreement and, further, that my marital or community property interest in such Delaware Securities shall be similarly bound by the Agreement. This consent and agreement may be relied upon by my spouse, the Company and any owner or other equity holder of the Company, and is irrevocable.

I am aware that the legal, financial and other matters contained in the Agreement are complex and I am encouraged to seek advice with respect thereto from independent legal and/or financial counsel. I have either sought such advice or determined after carefully reviewing the Agreements that I hereby waive such right.

Acknowledged and agreed to this _____ day of _____, 2013.

Name:

Witness

Exhibit A
Form of Delaware Charter

Exhibit B
Restrictive Covenants

1. **Confidentiality.** The Stockholder will not, during the term of his/her employment with the Company or at any time thereafter, (a) directly or indirectly, divulge, furnish, publish, distribute, disclose, exploit or otherwise make available to any person or entity, whether or not a competitor of the Company, or (b) otherwise use Confidential Information for any purpose except as necessary to perform such Stockholder's duties to the Company. In addition, and without limiting the generality of the foregoing, the Stockholder will not make any Unauthorized disclosure of Confidential Information. All references herein to "the Company" will be deemed to include its subsidiaries and affiliates.

As used herein, the term:

(a) "**Confidential Information**" means trade secrets, confidential or proprietary information, and all other information, documents or materials, relating to, owned, developed or possessed by the Company, whether in tangible or intangible form. Confidential Information includes, but is not limited to, financial information, products, product and service costs, prices, profits and sales, new business, technical or other ideas, proposals, plans and designs, business strategies, product and service plans, marketing plans and studies, forecasts, budgets, projections, computer programs, data bases and the documentation and information contained therein, computer access codes and similar information, source codes, know-how, technologies, concepts and designs, including, without limitation, patent applications, research projects and all information connected with research and development efforts, records, business relationships, methods and recommendations, existing or prospective client, customer, vendor and supplier information (including, but not limited to, identities, needs, transaction histories, volumes, characteristics, agreements, prices, identities of individual contacts, and spending preferences or habits), training manuals and similar materials used by the Company in conducting its business operations, skills, responsibilities, compensation and personnel files of employees, directors and independent contractors of the Company, competitive analyses, contracts, product formulations, and other confidential or proprietary information that has not been made available to the general public by the Company. Confidential Information will not include information that (i) is or becomes generally available to the public through no act or omission on the part of the Stockholder, (ii) is hereafter received on a non-confidential basis by the Stockholder from a third party who has the lawful right to disclose such information, or (iii) the Stockholder is required to disclose pursuant to court order or law.

(b) "**Unauthorized**" means: in contravention of or otherwise inconsistent with (i) this Agreement or the policies or procedures of the Company; (ii) any measures taken by the Company to protect its interests in the Confidential Information; (iii) lawful instruction or directive, either written or oral, of a director, officer or employee of the Company empowered to issue such instruction or directive; (iv) any duty existing under law or contract; or (v) the Company's best interests.

The Stockholder further agrees to take all reasonable measures to prevent unauthorized persons or entities from obtaining or using Confidential Information. Promptly upon termination, for any reason, of the Stockholder's employment with the Company, the Stockholder agrees to deliver to the Company all property and materials within the Stockholder's possession or control that belong to the Company or contain Confidential Information.

2. Non-Competition; Non-Solicitation; Non-Disparagement.

(a) In consideration for the rights granted to Stockholder under this Agreement, during the applicable Restriction Period, as described below, the Stockholder will not, directly or indirectly, in any Restricted Area, own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise), lend money or reputation to, or participate in the ownership, management, operation or control of, any business or entity, whether in corporate, proprietorship or partnership form or otherwise, that directly or indirectly competes with the Company, whether on a retail or e-commerce basis (in each case a "Restricted Business"); provided, however, that the restrictions in this Section 2(a) will not restrict the acquisition by the Stockholder, directly or indirectly, of less than 2% of the outstanding capital stock of any publicly traded company engaged in a Restricted Business. As used herein, "Restricted Area" means North America.

(b) During the applicable Restriction Period, the Stockholder will not, directly or indirectly:

(i) hire, offer to hire, solicit, divert, entice away, or in any other manner persuade, or attempt to do any of the foregoing ("Solicit"), any person who is an officer, employee or consultant of the Company to accept employment with a third party (including, for purposes of this Section 2(b), any business or entity that is not an affiliate of the Company, even if the business or entity is affiliated with a stockholder of the Company);

(ii) Solicit any person or entity who was, at any time within six months prior to the Solicitation, an officer, employee, agent or consultant of the Company to work for a third party engaged in a Restricted Business; or

(iii) Solicit, (A) any actual or prospective customer, supplier or distributor of the Company to become a customer, supplier or distributor of any third party engaged in a Restricted Business or (B) any customer, supplier or distributor to cease doing business with the Company or reduce its dealings with the Company; or

(iv) disparage or engage in negative publicity regarding the Company or any of its affiliates, stockholders, officers, employees, agents, directors, customers, suppliers or distributors.

(c) "Restriction Period" means the duration of the Stockholder's employment by the Company, and:

(i) with respect to Section 2(a) above, the 12 months following the cessation of Stockholder's employment; provided, however, that if the Delaware

Securities are repurchased by the Company pursuant to the Articles, the Restriction Period for purposes of Section 2(a) will end;

(ii) with respect to Sections 2(b)(i), 2(b)(ii) and 2(b)(iii), three years following the termination of such employment; and

(iii) with respect to Section 2(b)(iv), indefinitely thereafter.

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
2013 PERFORMANCE INCENTIVE PLAN

1. PURPOSE OF PLAN

The purpose of this Sportsman's Warehouse Holdings, Inc. 2013 Performance Incentive Plan (this "**Plan**") of Sportsman's Warehouse Holdings, Inc., a Utah corporation (the "**Corporation**"), is to promote the success of the Corporation and to increase stockholder value by providing an additional means through the grant of awards to attract, motivate, retain and reward selected employees and other eligible persons.

2. ELIGIBILITY

The Administrator (as such term is defined in Section 3.1) may grant awards under this Plan only to those persons that the Administrator determines to be Eligible Persons. An "**Eligible Person**" is any person who is either: (a) an officer (whether or not a director) or employee of the Corporation or one of its Subsidiaries; (b) a director of the Corporation or one of its Subsidiaries; or (c) an individual consultant or advisor who renders or has rendered bona fide services (other than services in connection with the offering or sale of securities of the Corporation or one of its Subsidiaries in a capital-raising transaction or as a market maker or promoter of securities of the Corporation or one of its Subsidiaries) to the Corporation or one of its Subsidiaries and who is selected to participate in this Plan by the Administrator; provided, however, that a person who is otherwise an Eligible Person under clause (c) above may participate in this Plan only if such participation would not adversely affect either the Corporation's eligibility to use Form S-8 to register under the Securities Act of 1933, as amended (the "**Securities Act**"), the offering and sale of shares issuable under this Plan by the Corporation or the Corporation's compliance with any other applicable laws. An Eligible Person who has been granted an award (a "participant") may, if otherwise eligible, be granted additional awards if the Administrator shall so determine. As used herein, "**Subsidiary**" means any corporation or other entity a majority of whose outstanding voting stock or voting power is beneficially owned directly or indirectly by the Corporation; and "**Board**" means the Board of Directors of the Corporation.

3. PLAN ADMINISTRATION

3.1 The Administrator. This Plan shall be administered by and all awards under this Plan shall be authorized by the Administrator. The "**Administrator**" means the Board or one or more committees appointed by the Board or another committee (within its delegated authority) to administer all or certain aspects of this Plan. Any such committee shall be comprised solely of one or more directors or such number of directors as may be required under applicable law. A committee may delegate some or all of its authority to another committee so constituted. The Board or a committee comprised solely of directors may also delegate, to the extent permitted by applicable law, to one or more officers of the Corporation, its powers under this Plan (a) to designate the officers and employees of the Corporation and its Subsidiaries who will receive grants of awards under this Plan, and (b) to determine the number of shares subject to, and the other terms and conditions of, such awards. The Board may delegate different levels of

authority to different committees with administrative and grant authority under this Plan. Unless otherwise provided in the Bylaws of the Corporation or the applicable charter of any Administrator: (a) a majority of the members of the acting Administrator shall constitute a quorum, and (b) the vote of a majority of the members present assuming the presence of a quorum or the unanimous written consent of the members of the Administrator shall constitute action by the acting Administrator.

In the event at a future date that the Corporation completes a transaction of its common stock (the “**Voting Common Stock**”) pursuant to which such class of securities becomes registered under Section 12(b) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), (a “**Registration**”), with respect to awards intended to satisfy the requirements for performance-based compensation under Section 162(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”), this Plan shall be administered by a committee consisting solely of two or more outside directors (as this requirement is applied under Section 162(m) of the Code); provided, however, that the failure to satisfy such requirement shall not affect the validity of the action of any committee otherwise duly authorized and acting in the matter. Following the Registration, award grants, and transactions in or involving awards, intended to be exempt under Rule 16b-3 under the Exchange Act, must be duly and timely authorized by the Board or a committee consisting solely of two or more non-employee directors (as this requirement is applied under Rule 16b-3 promulgated under the Exchange Act). To the extent required by any applicable listing agency, this Plan shall be administered by a committee composed entirely of independent directors (within the meaning of the applicable listing agency).

3.2 Powers of the Administrator. Subject to the express provisions of this Plan, the Administrator is authorized and empowered to do all things necessary or desirable in connection with the authorization of awards and the administration of this Plan (in the case of a committee or delegation to one or more officers, within the authority delegated to that committee or person(s)), including, without limitation, the authority to:

- (a) determine eligibility and, from among those persons determined to be eligible, the particular Eligible Persons who will receive an award under this Plan;
- (b) grant awards to Eligible Persons, determine the price at which securities will be offered or awarded and the number of securities to be offered or awarded to any of such persons, determine the other specific terms and conditions of such awards consistent with the express limits of this Plan, establish the installments (if any) in which such awards shall become exercisable or shall vest (which may include, without limitation, performance and/or time-based schedules), or determine that no delayed exercisability or vesting is required, establish any applicable performance targets, and establish the events of termination or reversion of such awards;

- (c) approve the forms of award agreements (which need not be identical either as to type of award or among participants);
- (d) construe and interpret this Plan and any agreements defining the rights and obligations of the Corporation, its Subsidiaries, and participants under this Plan, further define the terms used in this Plan, and prescribe, amend and rescind rules and regulations relating to the administration of this Plan or the awards granted under this Plan;
- (e) cancel, modify, or waive the Corporation's rights with respect to, or modify, discontinue, suspend, or terminate any or all outstanding awards, subject to any required consent under Section 8.6.5;
- (f) accelerate or extend the vesting or exercisability or extend the term of any or all such outstanding awards (in the case of options or stock appreciation rights, within the maximum ten-year term of such awards) in such circumstances as the Administrator may deem appropriate (including, without limitation, in connection with a termination of employment or services or other events of a personal nature) subject to any required consent under Section 8.6.5;
- (g) adjust the number of shares of Common Stock subject to any award, adjust the price of any or all outstanding awards or otherwise change previously imposed terms and conditions, in such circumstances as the Administrator may deem appropriate, in each case subject to Sections 4 and 8.6 (and subject to the no repricing provision below);
- (h) determine the date of grant of an award, which may be a designated date after but not before the date of the Administrator's action (unless otherwise designated by the Administrator, the date of grant of an award shall be the date upon which the Administrator took the action granting an award);
- (i) determine whether, and the extent to which, adjustments are required pursuant to Section 7 hereof and authorize the termination, conversion, substitution or succession of awards upon the occurrence of an event of the type described in Section 7;
- (j) acquire or settle (subject to Sections 7 and 8.6) rights under awards in cash, stock of equivalent value, or other consideration (subject to the no repricing provision below); and
- (k) determine the fair market value of the Common Stock or awards under this Plan from time to time and/or the manner in which such value will be determined.

Notwithstanding the foregoing and except for an adjustment pursuant to Section 7.1 or a repricing approved by stockholders, following the Registration, in no case may the Administrator (1) amend an outstanding stock option or SAR to reduce the exercise price or base price of the award, (2) cancel, exchange, or surrender an

outstanding stock option or SAR in exchange for cash or other awards for the purpose of repricing the award, or (3) cancel, exchange, or surrender an outstanding stock option or SAR in exchange for an option or SAR with an exercise or base price that is less than the exercise or base price of the original award.

- 3.3 Binding Determinations.** Any action taken by, or inaction of, the Corporation, any Subsidiary, or the Administrator relating or pursuant to this Plan and within its authority hereunder or under applicable law shall be within the absolute discretion of that entity or body and shall be conclusive and binding upon all persons. Neither the Board nor any Board committee, nor any member thereof or person acting at the direction thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan (or any award made under this Plan), and all such persons shall be entitled to indemnification and reimbursement by the Corporation in respect of any claim, loss, damage or expense (including, without limitation, attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under any directors and officers liability insurance coverage that may be in effect from time to time.
- 3.4 Reliance on Experts.** In making any determination or in taking or not taking any action under this Plan, the Administrator may obtain and may rely upon the advice of experts, including employees and professional advisors to the Corporation. No director, officer or agent of the Corporation or any of its Subsidiaries shall be liable for any such action or determination taken or made or omitted in good faith.
- 3.5 Delegation.** The Administrator may delegate ministerial, non-discretionary functions to individuals who are officers or employees of the Corporation or any of its Subsidiaries or to third parties.

4. SHARES OF COMMON STOCK SUBJECT TO THE PLAN; SHARE LIMITS

- 4.1 Shares Available.** Subject to the provisions of Section 7.1, the capital stock that may be delivered under this Plan shall be shares of the Corporation's authorized but unissued Common Stock and any shares of its Common Stock held as treasury shares. For purposes of this Plan, "Common Stock" shall mean the Restricted Nonvoting Common Stock of the Corporation and such other securities or property as may become the subject of awards under this Plan, or may become subject to such awards, pursuant to an adjustment made under Section 7.1.
- 4.2 Share Limits.** The maximum number of shares of Common Stock that may be delivered pursuant to awards granted to Eligible Persons under this Plan (the "Share Limit") is equal to 940,000 shares of Common Stock.

The following limits also apply with respect to awards granted under this Plan:

- (a) The maximum number of shares of Common Stock that may be delivered pursuant to options qualified as incentive stock options granted under this Plan is 940,000 shares.

- (b) Following the Registration, the maximum number of shares of Common Stock subject to those options and stock appreciation rights that are granted during any calendar year to any individual under this Plan is 300,000 shares.
- (c) Additional limits with respect to Performance-Based Awards are set forth in Section 5.2.3.

Each of the foregoing numerical limits is subject to adjustment as contemplated by Section 4.3, Section 7.1, and Section 8.10.

- 4.3 Awards Settled in Cash, Reissue of Awards and Shares.** Except as provided in the next sentence, shares that are subject to or underlie awards granted under this Plan which expire or for any reason are cancelled or terminated, are forfeited, fail to vest, or for any other reason are not paid or delivered under this Plan shall again be available for subsequent awards under this Plan. Shares that are exchanged by a participant or withheld by the Corporation as full or partial payment in connection with any award under this Plan, as well as any shares exchanged by a participant or withheld by the Corporation or one of its Subsidiaries to satisfy the tax withholding obligations related to any award, shall not be available for subsequent awards under this Plan. To the extent that an award granted under this Plan is settled in cash or a form other than shares of Common Stock, the shares that would have been delivered had there been no such cash or other settlement shall not be counted against the shares available for issuance under this Plan. In the event that shares of Common Stock are delivered in respect of a dividend equivalent right granted under this Plan, the number of shares delivered with respect to the award shall be counted against the share limits of this Plan (including, for purposes of clarity, the limits of Section 4.2 of this Plan). (For purposes of clarity, if 1,000 dividend equivalent rights are granted and outstanding when the Corporation pays a dividend, and 50 shares are delivered in payment of those rights with respect to that dividend, 50 shares shall be counted against the share limits of this Plan). To the extent that shares of Common Stock are delivered pursuant to the exercise of a stock appreciation right or stock option granted under this Plan, the number of underlying shares as to which the exercise related shall be counted against the applicable share limits under Section 4.2, as opposed to only counting the shares issued. (For purposes of clarity, if a stock appreciation right relates to 100,000 shares and is exercised at a time when the payment due to the participant is 15,000 shares, 100,000 shares shall be charged against the applicable share limits under Section 4.2 with respect to such exercise.) Refer to Section 8.10 for application of the foregoing share limits with respect to assumed awards. The foregoing adjustments to the share limits of this Plan are subject to any applicable limitations under Section 162(m) of the Code with respect to awards intended as performance-based compensation thereunder.
- 4.4 Reservation of Shares; No Fractional Shares; Minimum Issue.** The Corporation shall at all times reserve a number of shares of Common Stock sufficient to cover the Corporation's obligations and contingent obligations to deliver shares with respect to awards then outstanding under this Plan (exclusive of any dividend equivalent obligations to the extent the Corporation has the right

to settle such rights in cash). No fractional shares shall be delivered under this Plan. The Administrator may pay cash in lieu of any fractional shares in settlements of awards under this Plan. The Administrator may from time to time impose a limit (of not greater than 100 shares) on the minimum number of shares that may be purchased or exercised as to awards granted under this Plan unless (as to any particular award) the total number purchased or exercised is the total number at the time available for purchase or exercise under the award.

5. AWARDS

5.1 Type and Form of Awards. The Administrator shall determine the type or types of award(s) to be made to each selected Eligible Person. Awards may be granted singly, in combination or in tandem. Awards also may be made in combination or in tandem with, in replacement of, as alternatives to, or as the payment form for grants or rights under any other employee or compensation plan of the Corporation or one of its Subsidiaries. The types of awards that may be granted under this Plan are (subject, in each case, to the no repricing provisions of Section 3.2):

5.1.1 Stock Options. A stock option is the grant of a right to purchase a specified number of shares of Common Stock during a specified period as determined by the Administrator. An option may be intended as an incentive stock option within the meaning of Section 422 of the Code (an "ISO") or a nonqualified stock option (an option not intended to be an ISO). The award agreement for an option will indicate if the option is intended as an ISO; otherwise it will be deemed to be a nonqualified stock option. The maximum term of each option (ISO or nonqualified) shall be ten (10) years. The per share exercise price for each option shall be not less than 100% of the fair market value of a share of Common Stock on the date of grant of the option. When an option is exercised, the exercise price for the shares to be purchased shall be paid in full in cash or such other method permitted by the Administrator consistent with Section 5.5.

5.1.2 Additional Rules Applicable to ISOs. To the extent that the aggregate fair market value (determined at the time of grant of the applicable option) of stock with respect to which ISOs first become exercisable by a participant in any calendar year exceeds \$100,000, taking into account both Common Stock subject to ISOs under this Plan and stock subject to ISOs under all other plans of the Corporation or one of its Subsidiaries (or any parent or predecessor corporation to the extent required by and within the meaning of Section 422 of the Code and the regulations promulgated thereunder), such options shall be treated as nonqualified stock options. In reducing the number of options treated as ISOs to meet the \$100,000 limit, the most recently granted options shall be reduced first. To the extent a reduction of simultaneously granted options is necessary to meet the \$100,000 limit, the Administrator may, in the manner and to the extent permitted by law, designate which shares of Common Stock are to be treated as shares acquired pursuant to the exercise of an ISO. ISOs may only be granted to employees of the Corporation or one of its subsidiaries (for this purpose, the term "subsidiary" is used as defined in Section 424(f) of the Code, which generally

requires an unbroken chain of ownership of at least 50% of the total combined voting power of all classes of stock of each subsidiary in the chain beginning with the Corporation and ending with the subsidiary in question). There shall be imposed in any award agreement relating to ISOs such other terms and conditions as from time to time are required in order that the option be an "incentive stock option" as that term is defined in Section 422 of the Code. No ISO may be granted to any person who, at the time the option is granted, owns (or is deemed to own under Section 424(d) of the Code) shares of outstanding Common Stock possessing more than 10% of the total combined voting power of all classes of stock of the Corporation, unless the exercise price of such option is at least 110% of the fair market value of the stock subject to the option and such option by its terms is not exercisable after the expiration of five years from the date such option is granted.

5.1.3 Stock Appreciation Rights. A stock appreciation right or "**SAR**" is a right to receive a payment, in cash and/or Common Stock, equal to the excess of the fair market value of a specified number of shares of Common Stock on the date the SAR is exercised over the "**base price**" of the award, which base price shall be set forth in the applicable award agreement and shall be not less than 100% of the fair market value of a share of Common Stock on the date of grant of the SAR. The maximum term of a SAR shall be ten (10) years.

5.1.4 Other Awards; Dividend Equivalent Rights. The other types of awards that may be granted under this Plan include: (a) stock bonuses, restricted stock, performance stock, stock units, phantom stock or similar rights to purchase or acquire shares, whether at a fixed or variable price or ratio related to the Common Stock, upon the passage of time, the occurrence of one or more events, or the satisfaction of performance criteria or other conditions, or any combination thereof; (b) any similar securities with a value derived from the value of or related to the Common Stock and/or returns thereon; or (c) cash awards. Dividend equivalent rights may be granted as a separate award or in connection with another award under this Plan; provided, however, that dividend equivalent rights may not be granted in connection with a stock option or SAR granted under this Plan. In addition, any dividends and/or dividend equivalents as to the unvested portion of a restricted stock award that is subject to performance-based vesting requirements or the unvested portion of a stock unit award that is subject to performance-based vesting requirements will be subject to termination and forfeiture to the same extent as the corresponding portion of the award to which they relate.

5.2 Section 162(m) Performance-Based Awards. Without limiting the generality of the foregoing, any of the types of awards listed in Section 5.1.4 above may be, and options and SARs granted to officers and employees ("**Qualifying Options**" and "**Qualifying SARs**," respectively) typically will be, granted as awards intended to satisfy the requirements for "performance-based compensation" within the meaning of Section 162(m) of the Code ("**Performance-Based Awards**"). The grant, vesting, exercisability or payment of Performance-Based Awards may depend (or, in the case of Qualifying Options or Qualifying SARs, may also depend) on the degree of achievement of one or more performance goals

relative to a pre-established targeted level or levels using one or more of the Business Criteria set forth below (on an absolute or relative (including, without limitation, relative to the performance of other companies or upon comparisons of any of the indicators of performance relative to other companies) basis) for the Corporation on a consolidated basis or for one or more of the Corporation's subsidiaries, segments, divisions or business units, or any combination of the foregoing. Any Qualifying Option or Qualifying SAR shall be subject only to the requirements of Section 5.2.1 and 5.2.3 in order for such award to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code. Any other Performance-Based Award shall be subject to all of the following provisions of this Section 5.2.

5.2.1 Class; Administrator. The eligible class of persons for Performance-Based Awards under this Section 5.2 shall be officers and employees of the Corporation or one of its Subsidiaries. The Administrator approving Performance-Based Awards or making any certification required pursuant to Section 5.2.4 must be constituted as provided in Section 3.1 for awards that are intended as performance-based compensation under Section 162(m) of the Code.

5.2.2 Performance Goals. The specific performance goals for Performance-Based Awards (other than Qualifying Options and Qualifying SARs) shall be, on an absolute or relative basis, established based on one or more of the following business criteria ("**Business Criteria**") as selected by the Administrator in its sole discretion: earnings per share, cash flow (which means cash and cash equivalents derived from either net cash flow from operations or net cash flow from operations, financing and investing activities), stock price, total stockholder return, gross revenue, revenue growth, operating income (before or after taxes), net earnings (before or after interest, taxes, depreciation and/or amortization), return on equity or on assets or on net investment, cost containment or reduction, or any combination thereof. These terms are used as applied under generally accepted accounting principles or in the financial reporting of the Corporation or of its Subsidiaries. To qualify awards as performance-based under Section 162(m), the applicable Business Criterion (or Business Criteria, as the case may be) and specific performance goal or goals ("targets") must be established and approved by the Administrator during the first 90 days of the performance period (and, in the case of performance periods of less than one year, in no event after 25% or more of the performance period has elapsed) and while performance relating to such target(s) remains substantially uncertain within the meaning of Section 162(m) of the Code. The terms of the Performance-Based Awards may specify the manner, if any, in which performance targets shall be adjusted to mitigate the unbudgeted impact of material, unusual or nonrecurring gains and losses, accounting changes or other extraordinary events not foreseen at the time the targets were set unless the Administrator provides otherwise at the time of establishing the targets. The applicable performance measurement period may not be less than three months nor more than 10 years.

5.2.3 Form of Payment; Maximum Performance-Based Award. Grants or awards under this Section 5.2 may be paid in cash or shares of Common Stock or any combination thereof. Grants of Qualifying Options and Qualifying SARs to

any one participant in any one calendar year shall be subject to the limit set forth in Section 4.2(b). The maximum number of shares of Common Stock which may be subject to Performance-Based Awards (including Performance-Based Awards payable in shares of Common Stock and Performance-Based Awards payable in cash where the amount of cash payable upon or following vesting of the award is determined with reference to the fair market value of a share of Common Stock at such time) that are granted to any one participant in any one calendar year shall not exceed 300,000 shares, either individually or in the aggregate, subject to adjustment as provided in Section 7.1; provided that this limit shall not apply to Qualifying Options and Qualifying SARs (which are covered by the limit of Section 4.2(b)). The aggregate amount of compensation to be paid to any one participant in respect of all Performance-Based Awards payable only in cash (excluding cash awards covered by the preceding sentence where the cash payment is determined with reference to the fair market value of a share of Common Stock upon or following the vesting of the award) and granted to that participant in any one calendar year shall not exceed \$1,000,000. Awards that are cancelled during the year shall be counted against these limits to the extent required by Section 162(m) of the Code.

5.2.4 Certification of Payment. Before any Performance-Based Award under this Section 5.2 (other than Qualifying Options and Qualifying SARs) is paid and to the extent required to qualify the award as performance-based compensation within the meaning of Section 162(m) of the Code, the Administrator must certify in writing that the performance target(s) and any other material terms of the Performance-Based Award were in fact timely satisfied.

5.2.5 Reservation of Discretion. The Administrator will have the discretion to determine the restrictions or other limitations of the individual awards granted under this Section 5.2 including the authority to reduce awards, payouts or vesting or to pay no awards, in its sole discretion, if the Administrator preserves such authority at the time of grant by language to this effect in its authorizing resolutions or otherwise.

5.2.6 Expiration of Grant Authority. As required pursuant to Section 162(m) of the Code and the regulations promulgated thereunder, the Administrator's authority to grant new awards that are intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code (other than Qualifying Options and Qualifying SARs) shall terminate upon the first meeting of the Corporation's stockholders that occurs in the fifth year following the year in which the Corporation's stockholders first approve this Plan, subject to any subsequent extension that may be approved by stockholders.

5.3 Award Agreements. Each award shall be evidenced by either (1) a written award agreement in a form approved by the Administrator and executed by the Corporation by an officer duly authorized to act on its behalf, or (2) an electronic notice of award grant in a form approved by the Administrator and recorded by the Corporation (or its designee) in an electronic recordkeeping system used for the purpose of tracking award grants under this Plan generally (in each case, an "award agreement"), as the Administrator may provide and, in each case and if

required by the Administrator, executed or otherwise electronically accepted by the recipient of the award in such form and manner as the Administrator may require. The Administrator may authorize any officer of the Corporation (other than the particular award recipient) to execute any or all award agreements on behalf of the Corporation. The award agreement shall set forth the material terms and conditions of the award as established by the Administrator consistent with the express limitations of this Plan.

5.4 *Deferrals and Settlements.* Payment of awards may be in the form of cash, Common Stock, other awards or combinations thereof as the Administrator shall determine, and with such restrictions as it may impose. The Administrator may also require or permit participants to elect to defer the issuance of shares or the settlement of awards in cash under such rules and procedures as it may establish under this Plan. The Administrator may also provide that deferred settlements include the payment or crediting of interest or other earnings on the deferral amounts, or the payment or crediting of dividend equivalents where the deferred amounts are denominated in shares.

5.5 *Consideration for Common Stock or Awards.* The purchase price for any award granted under this Plan or the Common Stock to be delivered pursuant to an award, as applicable, may be paid by means of any lawful consideration as determined by the Administrator, including, without limitation, one or a combination of the following methods:

- services rendered by the recipient of such award;
- cash, check payable to the order of the Corporation, or electronic funds transfer;
- notice and third party payment in such manner as may be authorized by the Administrator;
- the delivery of previously owned shares of Common Stock;
- by a reduction in the number of shares otherwise deliverable pursuant to the award; or
- subject to such procedures as the Administrator may adopt, pursuant to a “cashless exercise” with a third party who provides financing for the purposes of (or who otherwise facilitates) the purchase or exercise of awards.

In no event shall any shares newly-issued by the Corporation be issued for less than the minimum lawful consideration for such shares or for consideration other than consideration permitted by applicable state law. Shares of Common Stock used to satisfy the exercise price of an option shall be valued at their fair market value on the date of exercise. The Corporation will not be obligated to deliver any shares unless and until it receives full payment of the exercise or purchase price therefor and any related withholding obligations under Section 8.5 and any other conditions to exercise or purchase have been satisfied. Unless otherwise

expressly provided in the applicable award agreement, the Administrator may at any time eliminate or limit a participant's ability to pay the purchase or exercise price of any award or shares by any method other than cash payment to the Corporation.

5.6 Definition of Fair Market Value. For purposes of this Plan, "fair market value" shall mean, unless otherwise determined or provided by the Administrator in the circumstances, the closing price (in regular trading) for a share of Voting Common Stock on the principal national securities exchange on which the Voting Common Stock is listed or admitted to trade (the "**Market**") for the date in question or, if no sales of Voting Common Stock were reported on the Market on that date, the closing price (in regular trading) for a share of Voting Common Stock on the Market for the next preceding day on which sales of Voting Common Stock were reported on the Market. The Administrator may, however, provide with respect to one or more awards that the fair market value shall equal the closing price (in regular trading) for a share of Voting Common Stock on the Market on the last trading day preceding the date in question or the average of the high and low trading prices of a share of Voting Common Stock on the Market for the date in question or the most recent trading day. If the Voting Common Stock is not listed or admitted to trade on a national securities exchange at the relevant time, the fair market value of the Common Stock shall be the value as reasonably determined by the Administrator for purposes of the award in the circumstances. The Administrator also may adopt a different methodology for determining fair market value with respect to one or more awards if a different methodology is necessary or advisable to secure any intended favorable tax, legal or other treatment for the particular award(s) (for example, and without limitation, the Administrator may provide that fair market value for purposes of one or more awards will be based on an average of closing prices (or the average of high and low daily trading prices) for a specified period preceding the relevant date).

5.7 Transfer Restrictions.

5.7.1 Limitations on Exercise and Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 5.7 or required by applicable law: (a) all awards are non-transferable and shall not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge; (b) awards shall be exercised only by the participant; and (c) amounts payable or shares issuable pursuant to any award shall be delivered only to (or for the account of) the participant.

5.7.2 Exceptions. The Administrator may permit awards to be exercised by and paid to, or otherwise transferred to, other persons or entities pursuant to such conditions and procedures, including limitations on subsequent transfers, as the Administrator may, in its sole discretion, establish in writing. Any permitted transfer shall be subject to compliance with applicable federal and state securities laws and shall not be for value (other than nominal consideration, settlement of marital property rights, or for interests in an entity in which more than 50% of the voting interests are held by the Eligible Person or by the Eligible Person's family members).

5.7.3 Further Exceptions to Limits on Transfer. The exercise and transfer restrictions in Section 5.7.1 shall not apply to:

- (a) transfers to the Corporation (for example, in connection with the expiration or termination of the award),
- (b) the designation of a beneficiary to receive benefits in the event of the participant's death or, if the participant has died, transfers to or exercise by the participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution,
- (c) subject to any applicable limitations on ISOs, transfers to a family member (or former family member) pursuant to a domestic relations order if approved or ratified by the Administrator,
- (d) if the participant has suffered a disability, permitted transfers or exercises on behalf of the participant by his or her legal representative, or
- (e) the authorization by the Administrator of "cashless exercise" procedures with third parties who provide financing for the purpose of (or who otherwise facilitate) the exercise of awards consistent with applicable laws and the express authorization of the Administrator.

5.8 International Awards. One or more awards may be granted to Eligible Persons who provide services to the Corporation or one of its Subsidiaries outside of the United States. Any awards granted to such persons may be granted pursuant to the terms and conditions of any applicable sub-plans, if any, appended to this Plan and approved by the Administrator.

6. EFFECT OF TERMINATION OF EMPLOYMENT OR SERVICE ON AWARDS

6.1 General. The Administrator shall establish the effect of a termination of employment or service on the rights and benefits under each award under this Plan and in so doing may make distinctions based upon, inter alia, the cause of termination and type of award. If the participant is not an employee of the Corporation or one of its Subsidiaries and provides other services to the Corporation or one of its Subsidiaries, the Administrator shall be the sole judge for purposes of this Plan (unless a contract or the award otherwise provides) of whether the participant continues to render services to the Corporation or one of its Subsidiaries and the date, if any, upon which such services shall be deemed to have terminated.

6.2 Events Not Deemed Terminations of Service. Unless the express policy of the Corporation or one of its Subsidiaries, or the Administrator, otherwise provides, the employment relationship shall not be considered terminated in the case of (a) sick leave, (b) military leave, or (c) any other leave of absence authorized by the Corporation or one of its Subsidiaries, or the Administrator; provided that, unless reemployment upon the expiration of such leave is guaranteed by contract or law or the Administrator otherwise provides, such leave is for a period of not more than three months. In the case of any employee of the Corporation or one of its

Subsidiaries on an approved leave of absence, continued vesting of the award while on leave from the employ of the Corporation or one of its Subsidiaries may be suspended until the employee returns to service, unless the Administrator otherwise provides or applicable law otherwise requires. In no event shall an award be exercised after the expiration of the term set forth in the applicable award agreement.

- 6.3 Effect of Change of Subsidiary Status.** For purposes of this Plan and any award, if an entity ceases to be a Subsidiary of the Corporation a termination of employment or service shall be deemed to have occurred with respect to each Eligible Person in respect of such Subsidiary who does not continue as an Eligible Person in respect of the Corporation or another Subsidiary that continues as such after giving effect to the transaction or other event giving rise to the change in status unless the Subsidiary that is sold, spun-off or otherwise divested (or its successor or a direct or indirect parent of such Subsidiary or successor) assumes the Eligible Person's award(s) in connection with such transaction.

7. ADJUSTMENTS; ACCELERATION

- 7.1 Adjustments.** Subject to Section 7.2, upon (or, as may be necessary to effect the adjustment, immediately prior to): any reclassification, recapitalization, stock split (including a stock split in the form of a stock dividend) or reverse stock split; any merger, combination, consolidation, conversion or other reorganization; any spin-off, split-up, or similar extraordinary dividend distribution in respect of the Common Stock; or any exchange of Common Stock or other securities of the Corporation, or any similar, unusual or extraordinary corporate transaction in respect of the Common Stock; then the Administrator shall equitably and proportionately adjust (1) the number and type of shares of Common Stock (or other securities) that thereafter may be made the subject of awards (including the specific share limits, maximums and numbers of shares set forth elsewhere in this Plan), (2) the number, amount and type of shares of Common Stock (or other securities or property) subject to any outstanding awards, (3) the grant, purchase, or exercise price (which term includes the base price of any SAR or similar right) of any outstanding awards, and/or (4) the securities, cash or other property deliverable upon exercise or payment of any outstanding awards, in each case to the extent necessary to preserve (but not increase) the level of incentives intended by this Plan and the then-outstanding awards.

Unless otherwise expressly provided in the applicable award agreement, upon (or, as may be necessary to effect the adjustment, immediately prior to) any event or transaction described in the preceding paragraph or a sale of all or substantially all of the business or assets of the Corporation as an entirety, the Administrator shall equitably and proportionately adjust the performance standards applicable to any then-outstanding performance-based awards to the extent necessary to preserve (but not increase) the level of incentives intended by this Plan and the then-outstanding performance-based awards.

It is intended that, if possible, any adjustments contemplated by the preceding two paragraphs be made in a manner that satisfies applicable U.S. legal, tax

(including, without limitation and as applicable in the circumstances, Section 424 of the Code, Section 409A of the Code and Section 162(m) of the Code) and accounting (so as to not trigger any charge to earnings with respect to such adjustment) requirements.

Without limiting the generality of Section 3.3, any good faith determination by the Administrator as to whether an adjustment is required in the circumstances pursuant to this Section 7.1, and the extent and nature of any such adjustment, shall be conclusive and binding on all persons.

7.2 Corporate Transactions—Assumption and Termination of Awards. Upon the occurrence of any of the following: any merger, combination, consolidation, conversion or other reorganization in connection with which the Corporation does not survive (or does not survive as a public company in respect of its Voting Common Stock); any exchange of Common Stock or other securities of the Corporation in connection with which the Corporation does not survive (or does not survive as a public company in respect of its Voting Common Stock); a sale of all or substantially all the business, stock or assets of the Corporation in connection with which the Corporation does not survive (or does not survive as a public company in respect of its Voting Common Stock); a dissolution of the Corporation; or any other event in which the Corporation does not survive (or does not survive as a public company in respect of its Voting Common Stock); then the Administrator may make provision for a cash payment in settlement of, or for the termination, assumption, substitution or exchange of any or all outstanding share-based awards or the cash, securities or property deliverable to the holder of any or all outstanding share-based awards, based upon, to the extent relevant under the circumstances, the distribution or consideration payable to holders of the Common Stock upon or in respect of such event. Upon the occurrence of any event described in the preceding sentence, then, unless the Administrator has made a provision for the substitution, assumption, exchange or other continuation or settlement of the award or the award would otherwise continue in accordance with its terms in the circumstances: (1) unless otherwise provided in the applicable award agreement, each then-outstanding option and SAR shall become fully vested, all shares of restricted stock then outstanding shall fully vest free of restrictions, and each other award granted under this Plan that is then outstanding shall become payable to the holder of such award; and (2) each award shall terminate upon the related event; provided that the holder of an option or SAR shall be given reasonable advance notice of the impending termination and a reasonable opportunity to exercise his or her outstanding vested options and SARs (after giving effect to any accelerated vesting required in the circumstances) in accordance with their terms before the termination of such awards (except that in no case shall more than ten days' notice of the impending termination be required and any acceleration of vesting and any exercise of any portion of an award that is so accelerated may be made contingent upon the actual occurrence of the event).

Without limiting the preceding paragraph, in connection with any event referred to in the preceding paragraph or any change in control event defined in any applicable award agreement, the Administrator may, in its discretion, provide for

the accelerated vesting of any award or awards as and to the extent determined by the Administrator in the circumstances.

The Administrator may adopt such valuation methodologies for outstanding awards as it deems reasonable in the event of a cash or property settlement and, in the case of options, SARs or similar rights, but without limitation on other methodologies, may base such settlement solely upon the excess if any of the per share amount payable upon or in respect of such event over the exercise or base price of the award.

In any of the events referred to in this Section 7.2, the Administrator may take such action contemplated by this Section 7.2 prior to such event (as opposed to on the occurrence of such event) to the extent that the Administrator deems the action necessary to permit the participant to realize the benefits intended to be conveyed with respect to the underlying shares. Without limiting the generality of the foregoing, the Administrator may deem an acceleration and/or termination to occur immediately prior to the applicable event and, in such circumstances, will reinstate the original terms of the award if an event giving rise to an acceleration and/or termination does not occur.

Without limiting the generality of Section 3.3, any good faith determination by the Administrator pursuant to its authority under this Section 7.2 shall be conclusive and binding on all persons.

- 7.3 Other Acceleration Rules.** The Administrator may override the provisions of Section 7.2 by express provision in the award agreement and may accord any Eligible Person a right to refuse any acceleration, whether pursuant to the award agreement or otherwise, in such circumstances as the Administrator may approve. The portion of any ISO accelerated in connection with an event referred to in Section 7.2 (or such other circumstances as may trigger accelerated vesting of the award) shall remain exercisable as an ISO only to the extent the applicable \$100,000 limitation on ISOs is not exceeded. To the extent exceeded, the accelerated portion of the option shall be exercisable as a nonqualified stock option under the Code.

8. OTHER PROVISIONS

- 8.1 Compliance with Laws.** This Plan, the granting and vesting of awards under this Plan, the offer, issuance and delivery of shares of Common Stock, and/or the payment of money under this Plan or under awards are subject to compliance with all applicable federal and state laws, rules and regulations (including but not limited to state and federal securities law and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Corporation, be necessary or advisable in connection therewith. The person acquiring any securities under this Plan will, if requested by the Corporation or one of its Subsidiaries, provide such assurances and representations to the Corporation or one of its Subsidiaries as the Administrator may deem necessary or desirable to assure compliance with all applicable legal and accounting requirements.

- 8.2 No Rights to Award.** No person shall have any claim or rights to be granted an award (or additional awards, as the case may be) under this Plan, subject to any express contractual rights (set forth in a document other than this Plan) to the contrary.
- 8.3 No Employment/Service Contract.** Nothing contained in this Plan (or in any other documents under this Plan or in any award) shall confer upon any Eligible Person or other participant any right to continue in the employ or other service of the Corporation or one of its Subsidiaries, constitute any contract or agreement of employment or other service or affect an employee's status as an employee at will, nor shall interfere in any way with the right of the Corporation or one of its Subsidiaries to change a person's compensation or other benefits, or to terminate his or her employment or other service, with or without cause. Nothing in this Section 8.3, however, is intended to adversely affect any express independent right of such person under a separate employment or service contract other than an award agreement.
- 8.4 Plan Not Funded.** Awards payable under this Plan shall be payable in shares or from the general assets of the Corporation, and no special or separate reserve, fund or deposit shall be made to assure payment of such awards. No participant, beneficiary or other person shall have any right, title or interest in any fund or in any specific asset (including shares of Common Stock, except as expressly otherwise provided) of the Corporation or one of its Subsidiaries by reason of any award hereunder. Neither the provisions of this Plan (or of any related documents), nor the creation or adoption of this Plan, nor any action taken pursuant to the provisions of this Plan shall create, or be construed to create, a trust of any kind or a fiduciary relationship between the Corporation or one of its Subsidiaries and any participant, beneficiary or other person. To the extent that a participant, beneficiary or other person acquires a right to receive payment pursuant to any award hereunder, such right shall be no greater than the right of any unsecured general creditor of the Corporation.
- 8.5 Tax Withholding.** Upon any exercise, vesting, or payment of any award, or upon the disposition of shares of Common Stock acquired pursuant to the exercise of an ISO prior to satisfaction of the holding period requirements of Section 422 of the Code, or upon any other tax withholding event with respect to any award, the Corporation or one of its Subsidiaries shall have the right at its option to:
- (a) require the participant (or the participant's personal representative or beneficiary, as the case may be) to pay or provide for payment of at least the minimum amount of any taxes which the Corporation or one of its Subsidiaries may be required to withhold with respect to such award event or payment; or
 - (b) deduct from any amount otherwise payable in cash (whether related to the award or otherwise) to the participant (or the participant's personal representative or beneficiary, as the case may be) the minimum amount of any taxes which the Corporation or one of its Subsidiaries may be required to withhold with respect to such award event or payment.

In any case where a tax is required to be withheld in connection with the delivery of shares of Common Stock under this Plan, the Administrator may in its sole discretion (subject to Section 8.1) require or grant (either at the time of the award or thereafter) to the participant the right to elect, pursuant to such rules and subject to such conditions as the Administrator may establish, that the Corporation reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of shares, valued in a consistent manner at their fair market value or at the sales price in accordance with authorized procedures for cashless exercises, necessary to satisfy the minimum applicable withholding obligation on exercise, vesting or payment. In no event shall the shares withheld exceed the minimum whole number of shares required for tax withholding under applicable law.

8.6 Effective Date, Termination and Suspension, Amendments.

8.6.1 Effective Date. This Plan is effective as of November 18, 2013, the date of its approval by the Board (the “**Effective Date**”). This Plan shall be submitted for and subject to stockholder approval no later than twelve months after the Effective Date. Unless earlier terminated by the Board, this Plan shall terminate at the close of business on the day before the tenth anniversary of the Effective Date. After the termination of this Plan either upon such stated expiration date or its earlier termination by the Board, no additional awards may be granted under this Plan, but previously granted awards (and the authority of the Administrator with respect thereto, including the authority to amend such awards) shall remain outstanding in accordance with their applicable terms and conditions and the terms and conditions of this Plan.

8.6.2 Board Authorization. The Board may, at any time, terminate or, from time to time, amend, modify or suspend this Plan, in whole or in part. No awards may be granted during any period that the Board suspends this Plan.

8.6.3 Stockholder Approval. To the extent then required by applicable law or any applicable listing agency or required under Sections 162, 422 or 424 of the Code to preserve the intended tax consequences of this Plan, or deemed necessary or advisable by the Board, any amendment to this Plan shall be subject to stockholder approval.

8.6.4 Amendments to Awards. Without limiting any other express authority of the Administrator under (but subject to) the express limits of this Plan, the Administrator by agreement or resolution may waive conditions of or limitations on awards to participants that the Administrator in the prior exercise of its discretion has imposed, without the consent of a participant, and (subject to the requirements of Sections 3.2 and 8.6.5) may make other changes to the terms and conditions of awards. Any amendment or other action that would constitute a repricing of an award is subject to the limitations set forth in Section 3.2.

8.6.5 Limitations on Amendments to Plan and Awards. No amendment, suspension or termination of this Plan or amendment of any outstanding award agreement shall, without written consent of the participant, affect in any manner

materially adverse to the participant any rights or benefits of the participant or obligations of the Corporation under any award granted under this Plan prior to the effective date of such change. Changes, settlements and other actions contemplated by Section 7 shall not be deemed to constitute changes or amendments for purposes of this Section 8.6.

8.7 Privileges of Stock Ownership. Except as otherwise expressly authorized by the Administrator, a participant shall not be entitled to any privilege of stock ownership as to any shares of Common Stock not actually delivered to and held of record by the participant. Except as expressly required by Section 7.1 or otherwise expressly provided by the Administrator, no adjustment will be made for dividends or other rights as a stockholder for which a record date is prior to such date of delivery.

8.8 Governing Law; Construction; Severability.

8.8.1 Choice of Law. This Plan, the awards, all documents evidencing awards and all other related documents shall be governed by, and construed in accordance with the laws of the State of Delaware.

8.8.2 Severability. If a court of competent jurisdiction holds any provision invalid and unenforceable, the remaining provisions of this Plan shall continue in effect.

8.8.3 Plan Construction.

- (a) **Rule 16b-3.** It is the intent of the Corporation that the awards and transactions permitted by awards be interpreted in a manner that, in the case of participants who are or may be subject to Section 16 of the Exchange Act, qualify, to the maximum extent compatible with the express terms of the award, for exemption from matching liability under Rule 16b-3 promulgated under the Exchange Act. Notwithstanding the foregoing, the Corporation shall have no liability to any participant for Section 16 consequences of awards or events under awards if an award or event does not so qualify.
- (b) **Section 162(m).** Awards under Section 5.1.4 to persons described in Section 5.2 that are either granted or become vested, exercisable or payable based on attainment of one or more performance goals related to the Business Criteria, as well as Qualifying Options and Qualifying SARs granted to persons described in Section 5.2, that are approved by a committee composed solely of two or more outside directors (as this requirement is applied under Section 162(m) of the Code) shall be deemed to be intended as performance-based compensation within the meaning of Section 162(m) of the Code unless such committee provides otherwise at the time of grant of the award. It is the further intent of the Corporation that (to the extent the Corporation or one of its Subsidiaries or awards under this Plan may be or become subject

to limitations on deductibility under Section 162(m) of the Code) any such awards and any other Performance-Based Awards under Section 5.2 that are granted to or held by a person subject to Section 162(m) will qualify as performance-based compensation or otherwise be exempt from deductibility limitations under Section 162(m).

- 8.9 Captions.** Captions and headings are given to the sections and subsections of this Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Plan or any provision thereof.
- 8.10 Stock-Based Awards in Substitution for Stock Options or Awards Granted by Other Corporation.** Awards may be granted to Eligible Persons in substitution for or in connection with an assumption of employee stock options, SARs, restricted stock or other stock-based awards granted by other entities to persons who are or who will become Eligible Persons in respect of the Corporation or one of its Subsidiaries, in connection with a distribution, merger or other reorganization by or with the granting entity or an affiliated entity, or the acquisition by the Corporation or one of its Subsidiaries, directly or indirectly, of all or a substantial part of the stock or assets of the employing entity. The awards so granted need not comply with other specific terms of this Plan, provided the awards reflect only adjustments giving effect to the assumption or substitution consistent with the conversion applicable to the Common Stock in the transaction and any change in the issuer of the security. Any shares that are delivered and any awards that are granted by, or become obligations of, the Corporation, as a result of the assumption by the Corporation of, or in substitution for, outstanding awards previously granted by an acquired company (or previously granted by a predecessor employer (or direct or indirect parent thereof) in the case of persons that become employed by the Corporation or one of its Subsidiaries in connection with a business or asset acquisition or similar transaction) shall not be counted against the Share Limit or other limits on the number of shares available for issuance under this Plan.
- 8.11 Non-Exclusivity of Plan.** Nothing in this Plan shall limit or be deemed to limit the authority of the Board or the Administrator to grant awards or authorize any other compensation, with or without reference to the Common Stock, under any other plan or authority.
- 8.12 No Corporate Action Restriction.** The existence of this Plan, the award agreements and the awards granted hereunder shall not limit, affect or restrict in any way the right or power of the Board or the stockholders of the Corporation to make or authorize: (a) any adjustment, recapitalization, reorganization or other change in the capital structure or business of the Corporation or any Subsidiary, (b) any merger, amalgamation, consolidation or change in the ownership of the Corporation or any Subsidiary, (c) any issue of bonds, debentures, capital, preferred or prior preference stock ahead of or affecting the capital stock (or the rights thereof) of the Corporation or any Subsidiary, (d) any dissolution or liquidation of the Corporation or any Subsidiary, (e) any sale or transfer of all or

any part of the assets or business of the Corporation or any Subsidiary, or (f) any other corporate act or proceeding by the Corporation or any Subsidiary. No participant, beneficiary or any other person shall have any claim under any award or award agreement against any member of the Board or the Administrator, or the Corporation or any employees, officers or agents of the Corporation or any Subsidiary, as a result of any such action.

8.13 Other Company Benefit and Compensation Programs. Payments and other benefits received by a participant under an award made pursuant to this Plan shall not be deemed a part of a participant's compensation for purposes of the determination of benefits under any other employee welfare or benefit plans or arrangements, if any, provided by the Corporation or any Subsidiary, except where the Administrator expressly otherwise provides or authorizes in writing. Awards under this Plan may be made in addition to, in combination with, as alternatives to or in payment of grants, awards or commitments under any other plans or arrangements of the Corporation or its Subsidiaries.

8.14 Clawback Policy. The awards granted under this Plan are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of awards or any shares of Common Stock or other cash or property received with respect to the awards (including any value received from a disposition of the shares acquired upon payment of the awards).

SPORTSMAN'S WAREHOUSE HOLDINGS, INC.
2013 PERFORMANCE INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

THIS RESTRICTED STOCK UNIT AWARD AGREEMENT (this "**Agreement**") is dated as of [_____, 20____] by and between Sportsman's Warehouse Holdings, Inc., a Utah corporation (the "**Corporation**"), and [_____] (the "**Participant**").

W I T N E S S E T H

WHEREAS, pursuant to the Sportsman's Warehouse Holdings, Inc. 2013 Performance Incentive Plan (the "**Plan**"), the Corporation has granted to the Participant effective as of the date hereof (the "**Award Date**"), a credit of stock units under the Plan (the "**Award**"), upon the terms and conditions set forth herein and in the Plan.

NOW THEREFORE, in consideration of services rendered and to be rendered by the Participant, and the mutual promises made herein and the mutual benefits to be derived therefrom, the parties agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the Plan.

2. Grant. Subject to the terms of this Agreement, the Corporation hereby grants to the Participant an Award with respect to an aggregate of [_____] restricted stock units (subject to adjustment as provided in Section 7.1 of the Plan) (the "**Stock Units**"). As used herein, the term "stock unit" shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's Common Stock (subject to adjustment as provided in Section 7.1 of the Plan) solely for purposes of the Plan and this Agreement. The Stock Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Stock Units vest pursuant to Section 3. The Stock Units shall not be treated as property or as a trust fund of any kind.

3. Vesting. Subject to Section 8 below, the Award shall vest and become nonforfeitable with respect to twenty-five percent (25%) of the total number of Stock Units (subject to adjustment under Section 7.1 of the Plan) on each of the first, second, third and fourth anniversaries of the Award Date; provided, however, that if a Registration occurs during the one (1) year period following the Award Date, the Award shall instead vest and become nonforfeitable with respect to twenty-five percent (25%) of the total number of Stock Units (subject to adjustment under Section 7.1 of the Plan) on the effective date of the Registration (the "**Registration Date**") and thereafter on each of the first, second and third anniversaries of the Registration Date.

4. Continuance of Employment/Service Required; No Employment/Service Commitment. The vesting schedule in Section 3 requires continued employment or service through each applicable vesting date as a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement. Employment or service for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any

proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment or services as provided in Section 8 below or under the Plan.

Nothing contained in this Agreement or the Plan constitutes an employment or service commitment by the Corporation, affects the Participant's status, if he or she is an employee, as an employee at will who is subject to termination without cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or services, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

5. Dividend and Voting Rights.

(a) **Limitations on Rights Associated with Units.** The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Section 5(b) with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Stock Units and any shares of Common Stock underlying or issuable in respect of such Stock Units until such shares of Common Stock are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such shares.

(b) **Dividend Equivalent Rights Distributions.** As of any date that the Corporation pays an ordinary cash dividend on its Common Stock, the Corporation shall credit the Participant with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Common Stock on such date, multiplied by (ii) the total number of Stock Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 7.1 of the Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the fair market value of a share of Common Stock on the date of payment of such dividend. Any Stock Units credited pursuant to the foregoing provisions of this Section 5(b) shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. No crediting of Stock Units shall be made pursuant to this Section 5(b) with respect to any Stock Units which, as of such record date, have either been paid pursuant to Section 7 or terminated pursuant to Section 8.

6. Restrictions on Transfer and Other Restrictions. Neither the Award, nor any interest therein or amount or shares payable in respect thereof may be sold, assigned, transferred, pledged or otherwise disposed of, alienated or encumbered, either voluntarily or involuntarily, except as set forth in Section 5.7 of the Plan. Any shares of Common Stock acquired pursuant to the Award are subject to substantial restrictions on transfer, and are subject to call, rights of first refusal, and other rights in favor of the Corporation, and drag-along rights in favor of certain stockholders, as set forth herein. The Amended and Restated Articles of Incorporation (the "**Articles**") and Bylaws of the Corporation, as either of them may be amended from time to time, may provide for additional restrictions and limitations with respect to the Common Stock (including additional restrictions and limitations on the transfer of shares). To the extent that these restrictions and limitations are greater than those set forth in this Agreement, such

restrictions and limitations shall apply to the shares of Common Stock issuable with respect to the Award and are incorporated herein by this reference. Such restrictions and limitations are not, however, in lieu of, nor shall they in any way reduce or eliminate, any limitation or restriction on the shares of Common Stock acquired pursuant to the Award imposed under the Plan or this Agreement.

7. Timing and Manner of Payment of Stock Units. On or as soon as administratively practical following each vesting of the applicable portion of the total Award pursuant to Section 3 hereof or Section 7 of the Plan (and in all events not later than two and one-half months after the applicable vesting date), the Corporation shall deliver to the Participant a number of shares of Common Stock (either by delivering one or more certificates for such shares or by entering such shares in book entry form, as determined by the Corporation in its discretion) equal to the number of Stock Units subject to this Award that vest on the applicable vesting date, unless such Stock Units terminate prior to the given vesting date pursuant to Section 8. The Corporation's obligation to deliver shares of Common Stock or otherwise make payment with respect to vested Stock Units is subject to the condition precedent that the Participant or other person entitled under the Plan to receive any shares with respect to the vested Stock Units deliver to the Corporation any representations or other documents or assurances required pursuant to Section 8.1 of the Plan. The Participant shall have no further rights with respect to any Stock Units that are paid or that terminate pursuant to Section 8.

8. Effect of Termination of Employment or Service. The Participant's Stock Units shall terminate to the extent such units have not become vested prior to the first date the Participant is no longer employed by or in service to the Corporation or one of its Subsidiaries, regardless of the reason for the termination of the Participant's employment or service with the Corporation or a Subsidiary, whether with or without cause, voluntarily or involuntarily (the last day that the Participant is employed by or provides services to the Corporation or a Subsidiary is referred to as the Participant's "**Severance Date**"). If any unvested Stock Units are terminated hereunder, such Stock Units shall automatically terminate and be cancelled as of the applicable Severance Date without payment of any consideration by the Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

9. Adjustments Upon Specified Events. Upon the occurrence of certain events relating to the Corporation's stock contemplated by Section 7.1 of the Plan (including, without limitation, an extraordinary cash dividend on such stock), the Administrator shall make adjustments in accordance with such section in the number of Stock Units then outstanding and the number and kind of securities that may be issued in respect of the Award. No such adjustment shall be made with respect to any ordinary cash dividend for which dividend equivalents are credited pursuant to Section 5(b).

10. Lock-Up Agreement. The Participant agrees, unless otherwise agreed to by the managing underwriter for any underwritten offering, not to effect any sale or distribution of any equity securities of the Corporation or securities convertible into or exchangeable or exercisable for equity securities of the Corporation, including any sale under Rule 144 under the Securities Act, or engage in any other activities with respect to such securities as may be reasonably requested by such managing underwriter, (i) during the fourteen (14) days prior to such offering

and for one hundred eighty (180) days after the closing of such offering or such shorter period of time acceptable to the managing underwriter of such offering, if any, or (ii) following the closing of the first of such offerings, during the fourteen (14) days prior to the closing of such offering and for ninety (90) days after the closing of such offering or such shorter period of time acceptable to the managing underwriter of such underwritten offering, if any. (The term “**Participant**” includes, where the context so requires, any permitted direct or indirect transferee of the Participant.)

11. Limited Call Right; Mandatory Sale; Transfer Restrictions.

(a) **Corporation’s Call Right.** The Corporation shall have the right (but not the obligation), subject to the terms and conditions of this Section 11, to repurchase in one or more transactions, and the Participant (or any permitted transferee) shall be obligated to sell any of the shares of Common Stock that are issued pursuant to the Award (the “**Shares**”) at the Repurchase Price (as defined below) (the “**Call Right**”). To exercise the Call Right, the Corporation must give written notice thereof to the Participant (the “**Call Notice**”) during the Call Period determined under Section 11(d). The Call Notice is irrevocable by the Corporation and must (a) be in writing and signed by an authorized officer of the Corporation, (b) set forth the Corporation’s intent to exercise the Call Right and contain the total number of Shares to be sold to the Corporation pursuant to the Call Right, and (c) be mailed or delivered in accordance with Section 19.

(b) **Repurchase Price.** The price per Share to be paid by the Corporation upon settlement of the Corporation’s Call Right (the “**Repurchase Price**”) shall equal the fair market value (as determined under the Plan) of a Share determined as of the date of the Call Notice.

(c) **Closing.** The closing of any repurchase under this Section 11 shall be at a date to be specified by the Corporation, such date to be no later than 30 days after the date of the Call Notice. The purchase price shall be paid at the closing in the form of a check or by cancellation of money purchase indebtedness against surrender by the Participant of a stock certificate evidencing the Shares with duly endorsed stock powers. No adjustments (other than pursuant to Section 7.1 of the Plan) shall be made to the purchase price for fluctuations in the fair market value of the Common Stock after the date of the Call Notice.

(d) **Call Period; Termination of Call Right.** The “**Call Period**” is the period of time during which the Call Notice must be delivered to the Participant in the event the Corporation wants to exercise its Call Right. The Call Period as to any particular Shares issued pursuant to the Award shall commence on the later of:

- (i) the Participant’s Severance Date; or
- (ii) the date that is six months and one day after the Participant acquired the Shares from the Corporation pursuant to the Award.

The Call Period as to any particular Shares that are issued pursuant to the Award shall terminate on the first to occur of:

- (i) twelve (12) months after the later of (A) the Participant's Severance Date or (B) the date that the Participant acquired the Shares from the Corporation; or
- (ii) the Registration.

(e) **Assignment.** Notwithstanding anything to the contrary, the Corporation may assign any or all of its rights under this Section 11 to one or more stockholders of the Corporation.

12. Right of First Refusal. The Corporation shall have a right of first refusal, as set forth below, to purchase the Shares before the Shares (or any interest in them) can be validly transferred to any other person or entity.

(a) **Notice of Intent to Sell.** Before there can be a valid sale or transfer of any Shares (or any interest in them) by any holder thereof, the holder shall first give notice in writing to the Corporation, mailed or delivered in accordance with the provisions of Section 19, of his or her intention to sell or transfer such Shares (the "**Option Notice**").

The Option Notice shall specify the identity of the proposed transferee, the number of Shares to be sold or transferred to the transferee, the price per Share and the terms upon which such holder intends to make such sale or transfer. If the payment terms for the Shares described in the Option Notice differ from delivery of cash or a check at closing, the Corporation shall have the option, as set forth herein, of purchasing the Shares for cash (or a cash equivalent) at closing in an amount which the Corporation determines is a fair value equivalent of that payment. The determination of a fair value equivalent shall be made in the Corporation's best judgment and such determination shall be mailed or delivered to the selling or transferring stockholder (the "**Corporation's Notice**") within ten (10) days of its receipt of the Option Notice. Should the selling or transferring stockholder disagree with the Corporation's determination of a fair value equivalent, he or she shall have the right (the "**Retraction Right**") to retract the proposed sale or transfer to a third party and the offer of Shares to the Corporation pursuant to the Option Notice (such retraction to be made in writing and mailed or delivered in accordance with the provisions of Section 19). If the stockholder again proposes to sell or transfer the Shares, the stockholder shall again offer such Shares to the Corporation pursuant to the terms of this Section 12 prior to any sale or transfer.

(b) **Option to Purchase.** Subject to the selling stockholder's Retraction Right, during the 60-day period commencing upon receipt of the Option Notice by the Corporation (the "**Option Period**"), the Corporation shall have an option to purchase any or all of the Shares specified in the Option Notice at the price offered therein (the "**Right of First Refusal**").

(c) **Purchase of Shares.** Not more than thirty (30) days after receipt of the Option Notice, the Corporation shall give written notice to the stockholder desiring to sell or transfer Shares of the number of such Shares to be purchased (or, if no Shares are to be purchased, stating such fact) by the Corporation pursuant to the terms of this Section 12 (the "**Purchase Notice**"). Purchases pursuant to this Section 12 shall be consummated within thirty (30) days after delivery of the Purchase Notice to the selling stockholder, but in no event later

than the expiration of the Option Period. The purchase price shall be paid at the closing in cash, by check, by cancellation of money purchase indebtedness, or, if the payment terms set forth in the Option Notice differ from payment in cash or by check at closing, in accordance with the payment terms set forth in the Option Notice (or payment of the amount set forth in the Corporation's Notice in cash, by cancellation of money purchase indebtedness, or by check). The purchase price shall be paid against surrender by the selling stockholder of a stock certificate evidencing the number of Shares specified in the Option Notice, with duly endorsed stock powers.

(d) **Ability to Sell Unpurchased Shares.** Unless all of the Shares referred to in the Option Notice are to be purchased as indicated in the Purchase Notice, the stockholder desiring to sell or transfer may dispose of any Shares referred to in the Option Notice that are not to be purchased by the Corporation to the person or persons specified in the Option Notice during a period of twenty (20) days commencing upon his or her receipt of the Purchase Notice; provided, however, that he or she shall not sell or transfer such Shares (a) at a lower price or on terms more favorable to the purchaser or transferee than those specified in the Option Notice, or (b) to a person other than the person or persons specified in the Option Notice; and provided further that such transfer is consistent with the other provisions and limitations of the Plan and this Agreement. If the transfer is not consummated within such twenty (20) day period, the stockholder shall again offer such Shares to the Corporation pursuant to the terms of this Section 12 prior to any sale or transfer to the same or any other person. For purposes of clarity, this Section 12(d) does not limit, and the Shares shall remain subject to, the restrictions on transfer set forth in Section 6 of this Agreement.

(e) **Assignment.** Notwithstanding anything to the contrary, the Corporation may assign any or all of its rights under this Section 12 to one or more stockholders of the Corporation.

(f) **Termination of Right of First Refusal.** The Corporation's Right of First Refusal shall terminate to the extent that it is not exercised prior to the Registration.

13. No Stockholder Rights Following Exercise of a Call or Repurchase. If the Participant (or any permitted transferee) holds Shares as to which the Call Right or the Right of First Refusal has been exercised (in connection with the termination of the Participant's employment or otherwise), the Participant shall be entitled to payment in accordance with the provisions of Section 11 or 12, as applicable, but (unless otherwise required by law) shall no longer be entitled to participation in the Corporation or other rights as a stockholder with respect to the shares subject to the call or repurchase. To the maximum extent permitted by law, the Participant's rights following the exercise of the Call Right or Right of First Refusal shall, with respect to the call or repurchase and the Shares covered thereby, be solely the rights that he or she has as a general creditor of the Corporation to receive payment of the amount specified in Section 11 or 12, as applicable.

14. Drag-Along Rights. In the event that holders of at least a majority of the voting power of the Corporation's then outstanding capital stock (or one or more of their successors) (the "**Major Stockholders**") either individually or in the aggregate desire to accept an offer from any third person (other than any affiliate of such parties) to purchase all of the outstanding shares

of Voting Common Stock then owned by such Major Stockholders collectively, at a price determined in an arm's length transaction, then, so long as the outstanding shares of Voting Common Stock then owned by such Major Stockholders collectively represent more than 50% of the voting power of the Corporation's then outstanding capital stock, the Participant (or any permitted transferee) shall sell, and shall cause any of his or her affiliates (as such term is defined in the Securities Act) to sell, all of the Shares held by him or her and such affiliates pursuant to such offer to purchase (the "**Drag-Along Sale**"). All holders of Common Stock in such Drag-Along Sale (a) shall receive the same consideration per share of Common Stock, shall be subject to the same terms and conditions of sale and shall otherwise be treated equally or, where appropriate, pro rata based upon the number of shares of Common Stock held by each stockholder, and (b) shall execute such documents and take such actions as may be reasonably required by the Major Stockholders or the selling representative of the Major Stockholders selling in such sale.

The selling Major Stockholders or their representative shall promptly provide the Participant with written notice (the "**Drag-Along Notice**") not more than 60 nor less than 10 business days prior to the date of the Drag-Along Sale (the "**Drag-Along Sale Date**"). Each Drag-Along Notice shall set forth: (a) the name and address of each proposed transferee (or the Participant) of shares of Common Stock in the Drag-Along Sale; (b) the name and address of each Major Stockholder participating in the Drag-Along Sale and the number of shares of Common Stock proposed to be transferred or sold by each such Major Stockholder; (c) the aggregate number of shares of Common Stock held of record as of the close of business on the date of the Drag-Along Notice by the Participant and each Major Stockholder; (d) the proposed amount and form of consideration to be paid for such shares and the terms and conditions of payment offered by each proposed transferee or the Participant, and (e) the Drag-Along Sale Date.

The provisions of this Section 14 shall apply regardless of the form of consideration received in the Drag-Along Sale, and if any non-cash consideration is proposed in the Drag-Along Sale to each selling Major Stockholder, the Participant shall accept his or her pro rata share of such non-cash consideration for the Common Stock based upon his proportional ownership of shares of Common Stock being included in such Drag-Along Sale.

The Major Stockholders (and their successors) shall have a right to compel the sale of the Shares in accordance with this Section 14 by delivery of the Drag-Along Notice. However, notwithstanding anything above in this Section 14 to the contrary, the Participant shall not have any right to participate in any sale (regardless of the number or percentage of shares of Common Stock being sold) if the Major Stockholders elect for any reason not to exercise their Drag-Along Sale rights. The Major Stockholders and their successors are third-party beneficiaries of this contract.

The Drag-Along Sale rights pursuant to this Section 14 shall terminate to the extent that they are not exercised prior to the Registration.

15. Restrictive Covenants. The Participant agrees to abide by and be subject to the non-competition restrictions, non-solicitation restrictions, confidentiality restrictions, non-

disparagement restrictions and other restrictive covenants as set forth in the attached Exhibit A, incorporated herein by this reference (the “**Restrictive Covenants**”).

16. Share Legends.

(a) **Certificates.** Any certificates representing shares of Common Stock that may be delivered to the Participant by the Corporation in connection with the Award at any time prior to the lapse of the restrictions imposed upon such shares pursuant to Sections 11, 12 and 14 of this Agreement shall be redelivered to the Corporation to be held by the Corporation until the restrictions on such shares are no longer subject to the other limitations and restrictions set forth in Sections 11, 12 and 14 of this Agreement.

(b) **Share Legends.** All certificates evidencing shares of Common Stock issued or delivered under the Plan and pursuant to this Agreement shall bear the following legends and/or any other appropriate or required legends under applicable laws:

“OWNERSHIP OF THIS CERTIFICATE, THE SHARES EVIDENCED BY THIS CERTIFICATE AND ANY INTEREST THEREIN ARE SUBJECT TO SUBSTANTIAL RESTRICTIONS ON TRANSFER UNDER APPLICABLE LAW AND UNDER AGREEMENTS WITH THE CORPORATION, INCLUDING RESTRICTIONS ON SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION.”

“THE SHARES ARE SUBJECT TO THE CORPORATION’S RIGHT OF FIRST REFUSAL AND CALL RIGHTS TO REPURCHASE THE SHARES UNDER THE CORPORATION’S 2013 PERFORMANCE INCENTIVE PLAN AND AGREEMENTS WITH THE CORPORATION THEREUNDER, COPIES OF WHICH ARE AVAILABLE FOR REVIEW AT THE OFFICE OF THE SECRETARY OF THE CORPORATION.”

“THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD FOLLOWING THE EFFECTIVE DATE OF A REGISTRATION STATEMENT OF THE CORPORATION FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (“ACT”), AS SET FORTH IN AN AGREEMENT BETWEEN THE CORPORATION AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE CORPORATION. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.”

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE ACT, NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN

17. Securities Law Representations. The Participant acknowledges that the Award and the shares of Common Stock subject to the Award are not being registered under the Securities Act, based, in part, in reliance upon an exemption from registration under Securities and Exchange Commission Rule 701 promulgated under the Securities Act, and a comparable exemption from qualification under applicable state securities laws, as each may be amended from time to time. The Participant, by executing this Agreement, hereby makes the following representations to the Corporation and acknowledges that the Corporation’s reliance on federal and state securities law exemptions from registration and qualification is predicated, in substantial part, upon the accuracy of these representations:

- The Participant is acquiring the Award and, if and when he or she acquires any Shares pursuant to the Award, will acquire such Shares solely for the Participant’s own account, for investment purposes only, and not with a view to or an intent to sell, or to offer for resale in connection with any unregistered distribution, all or any portion of the shares within the meaning of the Securities Act and/or any applicable state securities laws.
- The Participant has had an opportunity to ask questions and receive answers from the Corporation regarding the terms and conditions of the Award and the restrictions imposed on the Shares. The Participant has been furnished with, and/or has access to, such information as he or she considers necessary or appropriate for deciding whether to accept the Award. However, in evaluating the merits and risks of an investment in the Shares, the Participant has and will rely upon the advice of his/her own legal counsel, tax advisors, and/or investment advisors.
- The Participant is aware that the Award and any Shares acquired hereunder may be of no practical value and that any investment in common shares of a closely held corporation such as the Corporation is non-marketable, non-transferable and could require capital to be invested for an indefinite period of time, possibly without return, and at substantial risk of loss.
- The Participant understands that the Shares will be characterized as “restricted securities” under the federal securities laws, and that, under such laws and applicable regulations, such securities may be resold without registration under the Securities Act only in certain limited circumstances, including in accordance with the conditions of Rule 144 promulgated under the Securities Act, as presently in effect. The Participant acknowledges receiving a copy of Rule 144 promulgated under the Securities Act, as presently in effect, and represents that he is familiar with such rule, and understands the resale limitations imposed thereby and by the Securities Act and the applicable state securities law.

- The Participant has read and understands the restrictions and limitations set forth in the Plan and this Agreement which will be imposed on the Shares.
- At no time was an oral representation made to the Participant relating to the Award and the Participant was not presented with or solicited by any promotional meeting or material relating to the Award or the Shares.
- The Participant understands and acknowledges that (a) any certificate evidencing the Shares (or evidencing any other securities issued with respect thereto pursuant to any stock split, stock dividend, merger or other form of reorganization or recapitalization) when issued shall bear, in addition to any other legends which may be required by applicable state securities laws, the legend set forth in Section 16(b) of this Agreement, and (b) the Corporation has no obligation to register the Shares or file any registration statement under federal or state securities laws.

18. Tax Withholding. Subject to Section 8.1 of the Plan, upon any distribution of shares of Common Stock in respect of the Stock Units, the Corporation shall automatically reduce the number of shares to be delivered by (or otherwise reacquire) the appropriate number of whole shares, valued at their then fair market value (with the “fair market value” of such shares determined in accordance with the applicable provisions of the Plan), to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such distribution of shares at the minimum applicable withholding rates. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of shares, or in the event of a cash payment or any other withholding event in respect of the Stock Units, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

19. Notices. Any notice to be given under the terms of this Agreement shall be in writing and addressed to the Corporation at its principal office to the attention of the Secretary, and to the Participant at the Participant’s last address reflected on the Corporation’s records, or at such other address as either party may hereafter designate in writing to the other. Any such notice shall be given only when received, but if the Participant is no longer an employee of or in service to the Corporation, shall be deemed to have been duly given by the Corporation when enclosed in a properly sealed envelope addressed as aforesaid, registered or certified, and deposited (postage and registry or certification fee prepaid) in a post office or branch post office regularly maintained by the United States Government.

20. Plan. The Award and all rights of the Participant under this Agreement are subject to the terms and conditions of the provisions of the Plan, incorporated herein by reference. The Participant agrees to be bound by the terms of the Plan and this Agreement. The Participant acknowledges having read and understanding the Plan, the Prospectus for the Plan, and this Agreement. Unless otherwise expressly provided in other sections of this Agreement, provisions of the Plan that confer discretionary authority on the Board or the Administrator do not (and shall not be deemed to) create any rights in the Participant unless such rights are expressly set forth

herein or are otherwise in the sole discretion of the Board or the Administrator so conferred by appropriate action of the Board or the Administrator under the Plan after the date hereof.

21. Entire Agreement. This Agreement (including the Restrictive Covenants attached hereto) and the Plan together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. The Plan and this Agreement may be amended pursuant to Section 8.6 of the Plan. Such amendment must be in writing and signed by the Corporation. The Corporation may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Participant hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

22. Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Corporation as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. The Participant shall have only the rights of a general unsecured creditor of the Corporation with respect to amounts credited and benefits payable, if any, with respect to the Stock Units, and rights no greater than the right to receive the Common Stock as a general unsecured creditor with respect to Stock Units, as and when payable hereunder.

23. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

24. Section Headings. The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

25. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Delaware without regard to conflict of law principles thereunder.

26. Construction. It is intended that the terms of the Award will not result in the imposition of any tax liability pursuant to Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent.

27. Clawback Policy. The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or any shares of Common Stock or other cash or property received with respect to the Stock Units (including any value received from a disposition of the shares acquired upon payment of the Stock Units).

28. No Advice Regarding Grant. The Participant is hereby advised to consult with his or her own tax, legal and/or investment advisors with respect to any advice the Participant may determine is needed or appropriate with respect to the Stock Units (including, without limitation, to determine the foreign, state, local, estate and/or gift tax consequences with respect to the

Award). Neither the Corporation nor any of its officers, directors, affiliates or advisors makes any representation (except for the terms and conditions expressly set forth in this Award Agreement) or recommendation with respect to the Award. Except for the withholding rights set forth in Section 18 above, the Participant is solely responsible for any and all tax liability that may arise with respect to the Award.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Corporation has caused this Agreement to be executed on its behalf by a duly authorized officer and the Participant has hereunto set his or her hand as of the date and year first above written.

**SPORTSMAN'S WAREHOUSE HOLDINGS, INC.,
a Utah corporation**

By: _____

Print Name: _____

Its: _____

PARTICIPANT

Signature

Print Name

CONSENT OF SPOUSE

In consideration of the execution of the foregoing Restricted Stock Unit Award Agreement by Sportsman’s Warehouse Holdings, Inc., I, _____, the spouse of the Participant therein named, do hereby join with my spouse in executing the foregoing Restricted Stock Unit Award Agreement and do hereby agree to be bound by all of the terms and provisions thereof and of the Plan.

Dated: _____, 20____

Signature of Spouse

Print Name

RESTRICTIVE COVENANTS**1. Confidentiality.**

The Participant will not, during the term of his/her employment with the Corporation or at any time thereafter, (a) directly or indirectly, divulge, furnish, publish, distribute, disclose, exploit or otherwise make available to any person or entity, whether or not a competitor of the Corporation, or (b) otherwise use Confidential Information for any purpose except as necessary to perform such Participant's duties to the Corporation. In addition, and without limiting the generality of the foregoing, the Participant will not make any Unauthorized disclosure of Confidential Information. All references herein to the "Corporation" will be deemed to include its subsidiaries and affiliates.

As used herein, the term:

(a) "**Confidential Information**" means trade secrets, confidential or proprietary information, and all other information, documents or materials, relating to, owned, developed or possessed by the Corporation, whether in tangible or intangible form. Confidential Information includes, but is not limited to, financial information, products, product and service costs, prices, profits and sales, new business, technical or other ideas, proposals, plans and designs, business strategies, product and service plans, marketing plans and studies, forecasts, budgets, projections, computer programs, data bases and the documentation and information contained therein, computer access codes and similar information, source codes, know-how, technologies, concepts and designs, including, without limitation, patent applications, research projects and all information connected with research and development efforts, records, business relationships, methods and recommendations, existing or prospective client, customer, vendor and supplier information (including, but not limited to, identities, needs, transaction histories, volumes, characteristics, agreements, prices, identities of individual contacts, and spending preferences or habits), training manuals and similar materials used by the Corporation in conducting its business operations, skills, responsibilities, compensation and personnel files of employees, directors and independent contractors of the Corporation, competitive analyses, contracts, product formulations, and other confidential or proprietary information that has not been made available to the general public by the Corporation. Confidential Information will not include information that (i) is or becomes generally available to the public through no act or omission on the part of the Participant, (ii) is hereafter received on a non-confidential basis by the Participant from a third party who has the lawful right to disclose such information, or (iii) the Participant is required to disclose pursuant to court order or law.

(b) "**Unauthorized**" means: in contravention of or otherwise inconsistent with (i) this Award Agreement or the policies or procedures of the Corporation; (ii) any measures taken by the Corporation to protect its interests in the Confidential Information; (iii) lawful instruction or directive, either written or oral, of a director, officer or employee of the Corporation empowered to issue such instruction or directive; (iv) any duty existing under law or contract; or (v) the Corporation's best interests.

The Participant further agrees to take all reasonable measures to prevent unauthorized persons or entities from obtaining or using Confidential Information. Promptly upon termination, for any reason, of the Participant's employment with the Corporation, the Participant agrees to deliver to the Corporation all property and materials within the Participant's possession or control that belong to the Corporation or contain Confidential Information.

2. Non-Competition; Non-Solicitation; Non-Disparagement.

(a) In consideration for the rights granted to Participant under this Award Agreement, during the applicable Restriction Period, as described below, the Participant will not, directly or indirectly, in any Restricted Area, own, manage, engage in, operate, control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise), lend money or reputation to, or participate in the ownership, management, operation or control of, any business or entity, whether in corporate, proprietorship or partnership form or otherwise, that directly or indirectly competes with the Corporation, whether on a retail or e-commerce basis, including, without limitation, any business that owns or operates, directly or indirectly, stores commonly referred to as Cabela's, Bass Pro Shops, Scheels or Gander Mountain (in each case a "**Restricted Business**"); provided, however, that the restrictions in this Section 2(a) will not restrict the acquisition by the Participant, directly or indirectly, of less than 2% of the outstanding capital stock of any publicly traded company engaged in a Restricted Business. As used herein, "**Restricted Area**" means North America.

(b) During the applicable Restriction Period, the Participant will not, directly or indirectly:

(i) hire, offer to hire, solicit, divert, entice away, or in any other manner persuade, or attempt to do any of the foregoing ("**Solicit**"), any person who is an officer, employee or consultant of the Corporation to accept employment with a third party (including, for purposes of this Section 2(b), any business or entity that is not an affiliate of the Corporation, even if the business or entity is affiliated with a stockholder of the Corporation);

(ii) Solicit any person or entity who was, at any time within six months prior to the Solicitation, an officer, employee, agent or consultant of the Corporation to work for a third party engaged in a Restricted Business; or

(iii) Solicit, (A) any actual or prospective customer, supplier or distributor of the Corporation to become a customer, supplier or distributor of any third party engaged in a Restricted Business or (B) any customer, supplier or distributor to cease doing business with the Corporation or reduce its dealings with the Corporation; or

(iv) disparage or engage in negative publicity regarding the Corporation or any of its affiliates, stockholders, officers, employees, agents, directors, customers, suppliers or distributors.

(c) **“Restriction Period”** means the duration of the Participant’s employment by the Corporation, and:

(i) with respect to Section 2(a) above, the 12 months following the cessation of Participant’s employment; provided, however, that if the Shares are redeemed by the Corporation pursuant to the Articles, the Restriction Period for purposes of Section 2(a) will end;

(ii) with respect to Sections 2(b)(i), 2(b)(ii) and 2(b)(iii), three years following the termination of such employment; and

(iii) with respect to Section 2(b)(iv), indefinitely thereafter.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered into this 10th day of December, 2013 (the "Effective Date"), by and between Sportsman's Warehouse Holdings, Inc., a Delaware corporation (the "Company"), and John V. Schaefer (the "Executive").

RECITALS

THE PARTIES ENTER THIS AGREEMENT on the basis of the following facts, understandings and intentions:

- A. The Company desires to provide for the continued services of the Executive on the terms and conditions set forth in this Agreement.
- B. The Executive desires to continue in the employ of the Company on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the above recitals incorporated herein and the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby expressly acknowledged, the parties agree as follows:

1. EMPLOYMENT AND DUTIES

- 1.1 Employment.** The Company does hereby continue to employ the Executive for the Period of Employment (as such term is defined in Section 1.4) on the terms and conditions expressly set forth in this Agreement. The Executive does hereby accept and agree to such hiring, engagement and employment, on the terms and conditions expressly set forth in this Agreement.
- 1.2 Title and Duties.** During the Period of Employment, the Executive will serve as Chief Executive Officer of the Company and have the duties and exercise the authority that the Board of Directors of the Company (the "Board") assigns to the Executive from time to time.
During the Period of Employment, the Executive shall (i) devote substantially all of the Executive's business time, energy and skill to the performance of the Executive's duties for the Company, (ii) perform such duties in a faithful manner to the best of his abilities, and (iii) hold no other employment. During the Period of Employment, the Executive is permitted to serve on the boards of directors of two other for-profit entities and to perform the duties associated with such positions. The Executive may also serve on the boards of directors of non-profit charitable or educational organizations. The Company shall have the right, however, to require the Executive to resign from any board or similar body (including, without limitation, any association, corporate, civic or charitable board or similar body) which he may then serve if the Board reasonably determines that any business related to such service is then in competition with any business of the Company or any of its affiliates.

During the Period of Employment, the Executive's principal place of employment shall be the Company's principal executive office as it may be located from time to time. The Executive acknowledges that he will be required to travel from time to time in the course of performing his duties for the Company.

1.3 Board Seat. The Executive will serve as a member of the Board, subject to the Executive's nomination and election by the Company's stockholders. The Company agrees to nominate the Executive for re-election to the Board should the Executive's then-current term as a Board member end during the Period of Employment, provided that the Executive is then able and willing to continue to serve on the Board.

1.4 Period of Employment. The "Period of Employment" shall commence on the Effective Date and shall continue through, and end with, February 2, 2019, subject to extension by mutual written agreement. Notwithstanding the foregoing, the Period of Employment is subject to earlier termination as provided below in this Agreement. If the Executive's employment by the Company continues beyond the Period of Employment, such employment will be "at will" and terminable by either party at any time, for any reason (or no reason), and without any payment under this Agreement, other than for payment of the Accrued Obligations, as defined below.

2. COMPENSATION AND BENEFITS

2.1 Base Salary. During the Period of Employment, the Company will pay the Executive a base salary (the "Base Salary"), which shall be paid in accordance with the Company's regular payroll practices in effect from time to time. For the portion of the Period of Employment prior to February 2, 2014, the Executive's Base Salary shall continue to be at the rate otherwise in effect on the Effective Date. For the portion of the Period of Employment from and after February 2, 2014, the Executive's Base Salary shall be at an annualized rate of \$800,000. The Board (or a committee thereof) will review the Executive's rate of Base Salary on a periodic basis (annually, commencing with fiscal year 2015) and may, in its sole discretion, subject to the next sentence increase, but shall not decrease, the rate then in effect. If the Board (or a committee thereof) determines that the Company has achieved its annual budget (as approved by the Board) for a fiscal year of the Company (commencing with the Company's fiscal year ending on or about January 31, 2015), the Executive's annualized rate of Base Salary shall be increased (effective as of the first day of the immediately following fiscal year of the Company) by an amount determined by the Board (or a committee thereof) but not by less than five percent (5%) of the Executive's Base Salary level as in effect immediately prior to such increase; provided that the date such increase is to take effect is during the Period of Employment.

2.1.1 Bonus. During the Period of Employment, the Executive will be entitled to participate in a cash bonus program. The Executive's bonus for the Company's fiscal year ending on or about January 1, 2014 shall be based on the parameters otherwise in effect on the Effective Date. For any subsequent fiscal year of the Company that occurs during the Period of Employment, the bonus program for such fiscal year will be based on (i) the Company's achievement of the EBITDA set forth in the Company's budget

approved by the Board for such fiscal year (the “**EBITDA Target**” for such fiscal year), and (ii) in the discretion of the Board (or committee thereof), other performance factors (such as stock price, other financial measures, and/or the Executive’s individual performance and contributions to the Company) (the “**Non-EBITDA Components**”), all as determined by the Board (or a committee thereof) in its sole discretion. The Executive’s target bonus for a fiscal year shall be 100% of the Executive’s Base Salary for such fiscal year, with the Executive’s actual bonus for any year to be determined by the Board (or a committee thereof) based on the extent to which the EBITDA Target for such fiscal year is achieved and any Non-EBITDA Components; provided that (i) if the Company achieves at least 90% of the EBITDA Target for a fiscal year, the Executive’s cash bonus for that fiscal year shall not be less than 50% of the Executive’s Base Salary for such year (as such Base Salary is in effect for the fiscal year with respect to which the bonus is based), and (ii) if the Company achieves at least 100% of the Company’s EBITDA Target for a fiscal year, the Executive’s cash bonus for that fiscal year shall not be less than 100% of the Executive’s Base Salary for such year (as such Base Salary is in effect for the fiscal year with respect to which the bonus is based). The Executive’s bonus (if any) for a particular fiscal year shall be paid not later than two and one-half months following the end of that fiscal year. EBITDA (GAAP or non-GAAP), and any applicable adjustments to be made in calculating such amount for the particular fiscal year, shall be as provided in the bonus plan or budget, as the case may be, for the applicable fiscal year. Except as otherwise expressly provided in Section 3, the Executive must be employed by the Company on the date that the Company actually pays bonuses under such program for a particular fiscal year in order to be considered for and to have earned his bonus (if any) for such fiscal year.

2.2 Benefits and Expenses. During the Period of Employment, the Executive will be entitled to participate in benefit plans generally made available by the Company to the most senior executives of the Company, as they are in effect from time to time. The Company will reimburse the Executive for the Executive’s reasonable and necessary business expenses incurred by the Executive in carrying out his duties for the Company during the Period of Employment, in accordance with and subject to the Company’s standard policies regarding expense reimbursement.

(a) Travel. During the Period of Employment, the Company will reimburse the Executive for the Executive’s travel between Salt Lake City, Utah (or other Company locations at which the Executive is then performing Company business) and the Executive’s primary residence.

(b) Housing. During the Period of Employment, the Company will provide the Executive with housing (including payment of all reasonable costs such as rent, utilities, telephone, cable, and internet associated therewith), reasonably acceptable to the Board, in Salt Lake City, Utah or another headquarters location of the Company, if different.

(c) Relocation. If, during the Period of Employment, the Company requires the Executive to relocate the Executive’s principal residence to a location that is more proximate to Salt Lake City, Utah or another headquarters location of the Company, if different, the Executive agrees that the Executive will reasonably cooperate with such

request and use reasonable efforts to promptly so relocate. If the Executive actually so relocates during the Period of Employment pursuant to the Company's requirement: (i) the benefits specified in Section 2.3(a) and (b) above will terminate effective as of the Executive's relocation, (ii) the Board (or a committee thereof) will determine an adjustment to the Executive's level of Base Salary effective as of the Executive's relocation to take into account any cost of living differential between the Executive's place of residence before the relocation and Salt Lake City, Utah or another headquarters location of the Company, if different, including but not limited to an increase to adjust for the difference between state and local taxes in Texas and the relocating city; and (iii) the Company will pay the Executive's reasonable and customary moving costs to relocate to Salt Lake City, Utah or another headquarters location of the Company, if different, and the reasonable and customary closing costs for the Executive to sell the residence that he relocates from. The Executive agrees to cooperate with the Company's reasonable requests in connection with any such relocation (including, for example, in obtaining one or more bids and providing customary documentation to substantiate expenses).

3. TERMINATION

- 3.1 Death.** The Executive's employment with the Company and the Period of Employment will terminate automatically upon the Executive's death.
- 3.2 Incapacity.** If the Board determines in good faith that the Executive has suffered an Incapacity (as defined below), the Company can terminate the Executive's employment with the Company and the Period of Employment on at least 15 days' written notice (so long as the Executive has not returned to full-time performance of the Executive's duties within that period). For purposes of this Agreement, "Incapacity" means any mental or physical illness or disability that renders the Executive incapable of performing the Executive's duties, even with a reasonable accommodation, for more than 12 consecutive weeks in any twelve-month period, unless a longer period is required by law. The date of Incapacity will be the date on which the Board declares the Incapacity on the grounds described above.
- 3.3 Gross Misconduct.** The Company can terminate the Executive's employment and the Period of Employment at any time for Gross Misconduct. "Gross Misconduct" means the occurrence of any of the following:
- (a) the Executive's commission of any felony;
 - (b) the Executive takes any actions or omissions intentionally causing the Company to violate any law, rule or regulation (other than technical violations that have no material adverse impact on the Company);
 - (c) the Executive's willful or reckless act or omission that injures the Company's reputation or business in any material way or is otherwise demonstrably detrimental to the Company;

- (d) the Executive willfully fails or refuses to follow the legal and clear directives of the Board (unless the following of such directive would be a violation of applicable law);
- (e) the Executive has been dishonest in connection with his employment activities or committed or engaged in an act of theft, embezzlement or fraud; or
- (f) the Executive has materially breached any provision of any agreement to which the Executive is a party with the Company or any fiduciary duty the Executive owes to the Company; provided that the Company provides written notice to Executive of the condition(s) claimed to constitute a material breach of this Agreement or any fiduciary duty and Executive fails to remedy such condition(s) within thirty (30) days of the receiving such written notice thereof.

3.4 Termination without Gross Misconduct. The Company can terminate the Executive's employment with the Company and the Period of Employment at any time, and for any reason (with or without cause), upon written notice to the Executive.

3.5 Resignation. The Executive can voluntarily resign his employment with the Company and terminate the Period of Employment upon 30 days' prior written notice to the Company.

3.6 Resignation for Good Reason. The Executive can terminate his employment with the Company and the Period of Employment for Good Reason. "Good Reason" means the occurrence of any of the following by the Company without the Executive's express written consent: (a) a significant and material diminution in the Executive's position, responsibilities, reporting responsibilities or title, or a reduction in the Executive's base salary; (b) a material breach of this Agreement by the Company; or (c) the failure of the stockholders to re-elect the Executive as a member of the Board or the Company's removal of the Executive as a member of the Board (in each case, other than due to the Executive's Gross Misconduct, and in each case provided that the Executive is then able and willing to continue to serve on the Board); provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for a termination for Good Reason unless both (x) the Executive provides written notice to the Company of the condition claimed to constitute grounds for Good Reason within sixty (60) days of the initial existence of such condition(s), and (y) the Company fails to remedy such condition(s) within thirty (30) days of receiving such written notice thereof; and provided, further, that in all events the termination of the Executive's employment with the Company shall not constitute a termination for Good Reason unless such termination occurs not more than one hundred and eighty (180) days following the initial existence of the condition claimed to constitute grounds for Good Reason.

3.7 The Company's Obligations upon Termination.

3.7.1 Death or Incapacity. If the Executive's employment by the Company and the Period of Employment are terminated pursuant to Section 3.1 or 3.2, the Company shall have no further obligation to make or provide to the Executive, and the Executive shall

have no further right to receive or obtain from the Company, any payments or benefits except for payment to the Executive (or, in the event of the Executive's death, to his estate) of the Accrued Obligations. "Accrued Obligations" means the following: earned and accrued salary and personal time off through the date of termination of the Executive's employment with the Company, and reimbursement of any business expenses incurred by the Executive during the Period of Employment that are reimbursable by the Company pursuant to this Agreement, each in accordance with the Company's policies then in effect and each to the extent not previously paid.

3.7.2 Gross Misconduct or Resignation. If the Executive's employment by the Company and the Period of Employment are terminated pursuant to Section 3.3 or 3.5, the Company shall have no further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from the Company, any payments or benefits except for payment to the Executive of the Accrued Obligations.

3.7.3 Termination without Gross Misconduct or for Good Reason. If the Executive's employment by the Company and the Period of Employment are terminated pursuant to Section 3.4 or 3.6, the Company shall have no further obligation to make or provide to the Executive, and the Executive shall have no further right to receive or obtain from the Company, any payments or benefits except for payment to the Executive of the Accrued Obligations and, subject to Section 3.7.5, the following severance benefits:

The Company will pay the Executive (as severance) continued payment of the Executive's Base Salary (at the regular rate per payroll period in effect immediately prior to the termination of the Executive's employment with the Company and paid in accordance with the Company's regular payroll practices) through and ending with the date that is eighteen (18) months after the date the Executive's employment with the Company terminated (the date the Executive's employment with the Company terminates is referred to as the "Severance Date"); provided that the continued Base Salary benefit for the period commencing with the day following the Severance Date and ending with the 60th day following the Severance Date shall not be paid over such 60-day period but shall instead be accumulated and paid on (or within two (2) business days after) such 60th day following the Severance Date.

The Company will pay the Executive an amount equal to the Executive's target bonus (as determined by the Board in accordance with Section 2.2) for the fiscal year in which the Severance Date occurs, pro-rated through the Severance Date for the portion of the fiscal year the Executive was actually employed by the Company. Such amount is to be paid on (or within two (2) business days after) the 60th day following the Severance Date.

The Company will pay or reimburse the Executive for his premiums charged to continue medical coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), at the same or reasonably equivalent medical coverage for the Executive (and, if applicable, the Executive's eligible dependents) as in effect immediately prior to the Severance Date, to the extent that the Executive elects

such continued coverage; provided that the Company's obligation to make any payment or reimbursement pursuant to this clause (c) shall commence with continuation coverage for the month following the month in which the Executive's Severance Date occurs and shall cease with continuation coverage for the eighteenth (18th) month following the month in which the Executive's Severance Date occurs (or, if earlier, shall cease upon the first to occur of the Executive's death, the date the Executive becomes eligible for coverage under the health plan of a future employer, or the date the Company ceases to offer group medical coverage to its active executive employees or the Company is otherwise under no obligation to offer COBRA continuation coverage to the Executive). To the extent the Executive elects COBRA coverage, he shall notify the Company in writing of such election prior to such coverage taking effect and complete any other continuation coverage enrollment procedures the Company may then have in place.

Any equity awards (i.e., restricted stock, restricted stock units or options) granted to the Executive by the Company that are outstanding and otherwise unvested immediately prior to the Severance Date shall, on the Severance Date, become fully vested.

If the Executive has moved to Salt Lake City, Utah or another headquarters location of the Company, if different, at the Company's request, the Company will pay the reasonable and customary expenses to move the Executive's goods from the Salt Lake City (or another headquarters location of the Company, if different) to a place in the continental United States of the Executive's choosing and, if the Executive purchased a home in the Salt Lake City area (or another headquarters location of the Company, if different), the Company will reimburse the Executive for all reasonable and customary closing costs for the sale of that home; provided that such relocation or sale occurs within twenty four (24) months following the Severance Date (and provided further that any reimbursement by the Company of such amounts shall occur in the second calendar year following the calendar year in which the Severance Date occurs). The Executive agrees to cooperate with the Company's reasonable requests in connection with any such relocation and sale (including, for example, in obtaining one or more bids and providing customary documentation to substantiate expenses).

3.7.4 Exclusive Remedy. The Executive agrees that the payments contemplated by this Agreement will constitute the Executive's sole and exclusive remedy for any termination of the Executive's employment (other than any right to continued benefit coverage under and to the extent required by COBRA, and except for payment of any vested benefit the Executive may have under a retirement program sponsored or maintained by the Company that is intended to be qualified under Section 401(a) of the Internal Revenue Code (any such benefit to be paid under and in accordance with the terms and conditions of such plan)). The Executive covenants that he will not assert or pursue any other remedies, at law or in equity, with respect to any such termination. The Executive agrees to resign, on the Severance Date, as an officer and director of the Company and any affiliate of the Company, and as a fiduciary of any benefit plan of the Company or any

affiliate of the Company, and to promptly execute and provide to the Company any further documentation, as reasonably requested by the Company, to confirm such resignation.

3.7.5 Offsets. All severance amounts due from the Company to the Executive under Section 3.7.3 will be subject to offset or reduction to take into account any of the Executive's obligations to the Company. As a condition precedent to any Company obligation to the Executive pursuant to Section 3.7.3 (other than payment of the Accrued Obligations), the Executive shall, upon or promptly following the Severance Date (and in all cases within twenty-one (21) days following the Severance Date unless a longer period of time is required under applicable law to obtain an effective general release, in which case such longer period of time shall apply), deliver to the Company a valid, executed general release of the Executive's claims in a form reasonably satisfactory to the Company, and such general release shall not be revoked by the Executive pursuant to any revocation rights afforded by applicable law.

4. PROTECTIVE COVENANTS.

- 4.1 Agreement.** The Executive is a party to that certain Agreement, dated on or about the Effective Date, with the Company (the "Stockholder Agreement"), and that certain Restricted Stock Unit Award Agreement, dated on or about the Effective Date, with the Company (the "Unit Award Agreement"). Exhibit A to the Stockholder Agreement and Exhibit A to the Unit Award Agreement include certain restrictive covenants. The provisions of Exhibit A to the Stockholder Agreement and Exhibit A to the Unit Award Agreement are incorporated herein by this reference.
- 4.2 Return of Items.** Upon termination of this Agreement, the Executive will promptly deliver to the Company all Company equipment and other materials relating to the Company's business and in the Executive's possession or control.
- 4.3 Litigation/Audit Cooperation.** Following the termination of the Executive's employment for any reason, the Executive will reasonably cooperate with the Company in connection with (a) any internal or governmental investigation or administrative, regulatory, arbitral or judicial proceeding involving the Company with respect to matters as to which the Executive had responsibility or knowledge arising out of the Executive's employment with, or service as a member of the Board of, the Company (collectively, "Litigation"); or (b) any audit of the financial statements of the Company with respect to the period of time when the Executive was employed by the Company ("Audit"). To the extent (if any) the Company requests such services from the Executive, or the Executive is compelled by a governmental authority to provide services in a matter that does not involve the Executive, the Company will: (i) reimburse the Executive for reasonable travel and other expenses incurred in connection with providing his services under this Section 4.3, and (ii) compensate the Executive for each hour that the Executive provides services pursuant to this Section 4.3 at the rate of \$700 per hour. With respect to any month during which the Executive provides services pursuant to this Section 4.3, the Executive will submit a written invoice to the Company that details the amount of time and a description of the services rendered and expenses incurred during such month. The

Executive will submit such invoice to the Company not later than fifteen (15) days after the end of such month, and the Company will pay any such invoice within fifteen (15) days after its receipt of such invoice from the Executive.

- 4.4 Understanding of Covenants.** The Executive acknowledges that, in the course of his employment with the Company and/or its affiliates and their predecessors, he has become familiar with the Company's and its affiliates' and their predecessors' trade secrets and with other confidential and proprietary information concerning the Company, its affiliates and their respective predecessors and that his services have been and will be of special, unique and extraordinary value to the Company and its affiliates. The Executive agrees that the foregoing covenants set forth (or referred to, as the case may be) in this Section 4.4 (together, the "Restrictive Covenants") are reasonable and necessary to protect the Company's and its affiliates' trade secrets and other confidential and proprietary information, good will, stable workforce, and customer relations.

Without limiting the generality of the Executive's agreement in the preceding paragraph, the Executive (i) represents that he is familiar with and has carefully considered the Restrictive Covenants, (ii) represents that he is fully aware of his obligations hereunder, (iii) agrees to the reasonableness of the length of time, scope and geographic coverage, as applicable, of the Restrictive Covenants, (iv) agrees that the Company and its affiliates currently conduct business throughout North America, and (v) agrees that the Restrictive Covenants will continue in effect for the applicable periods contemplated by the Restrictive Covenants regardless of whether the Executive is then entitled to receive severance pay or benefits from the Company. The Executive understands that the Restrictive Covenants may limit his ability to earn a livelihood in a business similar to the business of the Company and any of its affiliates, but he nevertheless believes that he has received and will receive sufficient consideration and other benefits as an employee of the Company and as otherwise provided hereunder or as described in the recitals hereto to clearly justify such restrictions which, in any event (given his education, skills and ability), the Executive does not believe would prevent him from otherwise earning a living. The Executive agrees that the Restrictive Covenants do not confer a benefit upon the Company disproportionate to the detriment of the Executive.

- 4.5 Enforcement.** The Executive agrees that the Executive's services are unique and that he has access to confidential information of the Company and its affiliates. Accordingly, without limiting the generality of Section 5.4, the Executive agrees that a breach by the Executive of any of the Restrictive Covenants may cause immediate and irreparable harm to the Company that would be difficult or impossible to measure, and that damages to the Company for any such injury would therefore be an inadequate remedy for any such breach. Therefore, the Executive agrees that in the event of any breach or threatened breach of any Restrictive Covenant, the Company shall be entitled, in addition to and without limitation upon all other remedies the Company may have under this Agreement or otherwise, at law or otherwise, to obtain specific performance, injunctive relief and/or other appropriate relief (without posting any bond or deposit) in order to enforce or prevent any violations of the Restrictive Covenants, or require the Executive to account for and pay over to the Company all compensation, profits, moneys, accruals, increments or other benefits derived from or received as a result of any transactions constituting a

breach of the Restrictive Covenants, if and when final judgment of a court of competent jurisdiction is so entered against the Executive.

5. MISCELLANEOUS

5.1 Indemnification; Insurance. The Company will prepare a form of indemnification agreement to be offered to all of its Board members and officers of the Company in office when such form is finalized. Such agreement will include provisions regarding the advancement of certain expenses. When the Company finalizes such form of agreement, it will offer such an agreement to the Executive using the same form as offered to other Board members and officers of the Company. During the Period of Employment and commencing when the Company acquired directors and officers liability insurance, the Executive shall be covered by such insurance on the same terms and conditions as generally applicable to all Board members and officers of the Company.

5.2 No Assignment by the Executive. This Agreement is personal to the Executive and will not be assignable by the Executive.

5.3 Legal Counsel; Mutual Drafting. Each party recognizes that this is a legally binding contract and acknowledges and agrees that they have had the opportunity to consult with legal counsel of their choice. Each party has cooperated in the drafting, negotiation and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against either party on the basis of that party being the drafter of such language. The Executive agrees and acknowledges that he has read and understands this Agreement, is entering into it freely and voluntarily, and has been advised to seek counsel prior to entering into this Agreement and has had ample opportunity to do so.

5.4 Arbitration.

5.4.1 Scope. Subject to Section 4.5 and any similar provision of the Stockholder Agreement and the Unit Award Agreement, any controversy or claim arising out of or relating to (a) the Executive's employment with the Company, (b) the termination of that employment, (c) this Agreement, (d) the Stockholder Agreement, (e) the Unit Award Agreement, (f) the interpretation or enforcement of this Agreement, the Stockholder Agreement or the Unit Award Agreement, (g) any alleged breach, default, or misrepresentation in connection with this Agreement, the Stockholder Agreement or the Unit Award Agreement, or (h) any other dispute or claim between the Executive and the Company, whether arising in contract, tort, common law or statute, or because of an alleged breach, default, or misrepresentation in connection with any of the provisions of any such agreement, including (without limitation) any state or federal statutory claims, shall be submitted to arbitration in Salt Lake City, Utah, before a sole arbitrator selected from Judicial Arbitration and Mediation Services, Inc. or its successor ("JAMS"), or if JAMS is no longer able to supply the arbitrator, such arbitrator shall be selected from the American Arbitration Association; provided, however, that provisional injunctive relief may, but need not, be sought in a court of law while arbitration proceedings are pending, and any provisional injunctive relief granted by such court shall remain effective until the

matter is finally determined by the arbitrator. The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures. Judgment on the award may be entered in any court having jurisdiction. This arbitration provision covers all disputes or claims that the Executive may have against the Company and any affiliated party, and also covers any claims that the Company may have against the Executive. The parties agree that the arbitrator will not impose punitive damages or any similar penalty and hereby waive any right to make a claim for any such damages. The parties acknowledge and agree that they are hereby waiving any rights to trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with any of the matters referenced in the first sentence of this paragraph.

5.4.2 Arbitrator's Authority. The arbitrator will have exclusive authority to (a) resolve any dispute as to whether any claim or matter is subject to this Section 5.4; (b) supervise discovery; (c) rule on pre-hearing disputes; (d) rule on motions, including motions for summary adjudication; (e) conduct hearings, and (f) make a final decision on the claim or matter being arbitrated. Remedies, substantive law and statutes of limitations will be the same as they would be in a court. The arbitrator will render a final decision in writing, together with a summary statement of the conclusions upon which the decision is based.

5.4.3 Costs. The Company will pay the forum costs of the arbitration itself (including arbitration fees and the fees and expenses of the arbitrator and court reporters). Each party will pay the costs of presenting its case, including the fees and expenses of its counsel, unless an applicable statute requires otherwise. Unless otherwise required or limited by statute, the arbitrator shall have the discretion to award the party prevailing in the arbitration, in addition to all other relief, reasonable attorneys' fees and expenses relating to the arbitration (other than the forum costs referred to in the first sentence of this paragraph).

5.5 Binding on Successors. This Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns. Any such successor or assignee will be deemed substituted for the Company under the terms of this Agreement for all purposes. As used in this Agreement, "successor" and "assignee" will include any person or business entity that at any time, whether by purchase, merger or otherwise, directly or indirectly acquires the equity of the Company or to which the Company assigns this Agreement by operation of law or otherwise.

5.6 Amendments. This Agreement cannot be amended or modified other than by a written agreement executed by the Executive and by an officer of the Company (other than the Executive) authorized by the Board (or a committee thereof) to execute such amendment or modification on the Company's behalf.

5.7 Severability. It is the desire and intent of the parties hereto that the provisions of this Agreement be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. If any provision of this Agreement or its application is held by a court of competent jurisdiction to be invalid or unenforceable, the invalidity or unenforceability will not affect the other provisions or

applications of this Agreement that can be given effect without the invalid or unenforceable provisions or applications. To this end, the provisions of this Agreement are declared severable. Furthermore, in lieu of such invalid or unenforceable provision there will be added automatically as a part of this Agreement, a legal, valid and enforceable provision as similar in terms to such invalid or unenforceable provision as may be possible.

Notwithstanding the foregoing, if such provision could be more narrowly drawn (as to geographic scope, period of duration or otherwise) so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

- 5.8 Waiver of Breach.** No waiver of any breach of any provision of this Agreement will be construed to be, or will be, a waiver of any other breach of this Agreement. No waiver will be binding unless in writing and signed by the party waiving the breach.
- 5.9 Notices.** Either party can change its address for notice purposes by giving written notice to the other party. Any notice or other communication required or permitted to be given under this Agreement will be in writing and will be sent by (a) facsimile transmission with confirmation of transmission; (b) nationally-recognized courier service; (c) certified mail, return receipt requested, postage prepaid, and will be addressed to the parties at the following facsimile numbers or mailing addresses:

If to the Company:

The Board of Directors of Sportsman's Warehouse, Inc.
7035 South High Tech Drive
Midvale, Utah 84047

with a copy to:

SEP SWH Holdings, L.P.
Attention: Chris Eastland
4640 Admiralty Way, Suite 1200
Marina Del Rey, CA 90292
Fax: 213-624-0691
Chris@sepfunds.com

If to the Executive, to the Executive at his last address reflected in the Company's records.

Any notice or other communication will be deemed to be given, as applicable, (a) on the date of delivery by facsimile; (b) on the third day after the date of deposit in the United States mail; or (c) the date of delivery by nationally-recognized courier service.

- 5.10 Entire Agreement.** This Agreement constitutes and contains the entire agreement and final understanding between the parties concerning the Executive's employment with the Company and the related subject matters addressed in this Agreement. It supersedes and

replaces all prior negotiations and all agreements, written or oral, concerning the Executive's employment by the Company and such other subject matters. Any prior negotiations, correspondence, agreements, proposals or understandings relating to any such matter shall be deemed to have been merged into this Agreement, and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals, or understandings shall be deemed to be of no force or effect. There are no representations, warranties, or agreements, whether express or implied, or oral or written, with respect to the subject matter hereof, except as expressly set forth herein. The Stockholder Agreement and the Unit Award Agreement are each outside the scope of the foregoing integration provision and each of them continues in effect in accordance with its terms.

5.11 Governing Law. Utah law (without regard to conflict-of-laws principles of the laws of the State of Utah or any other jurisdiction) will govern this Agreement and its interpretation and enforcement.

5.12 Withholding. The Company may withhold from any payments due the Executive under this Agreement the amounts required by applicable tax or other laws.

5.13 Section 409A.

(a) It is intended that any amounts payable under this Agreement will comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Internal Revenue Code of 1986, as amended (including the Treasury Regulations and other published guidance related thereto) ("Section 409A"). This Agreement will be construed and interpreted consistent with that intent.

(b) To the extent that any reimbursement pursuant to this Agreement is taxable to the Executive, the Executive will provide the Company with documentation of the related expenses promptly so as to facilitate the timing of the reimbursement payment contemplated by this paragraph, and any reimbursement payment due to the Executive pursuant to such provision will be paid to the Executive on or before the last day of the Executive's taxable year following the taxable year in which the related expense was incurred. Such reimbursement obligations pursuant to this Agreement are not subject to liquidation or exchange for another benefit and the amount of such benefits that the Executive receives in one taxable year will not affect the amount of such benefits that the Executive receives in any other taxable year.

(c) For purposes of this Agreement, a termination of employment will mean a separation from service as defined in Treasury Regulations Section 1.409A-1(h) without regard to any optional alternative definitions available under that section.

(d) If Executive is a "specified employee" within the meaning of Section 409A as of the date of the Executive's "separation from service" (as defined under Section 409A), Executive shall not be entitled to any payment or benefit pursuant to this Agreement until the earlier of (i) the date which is six (6) months after Executive's separation from service for any reason other than death, or (ii) the date of the death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A. Any amounts otherwise

payable to Executive upon or in the six (6) month period following Executive's separation from service that are not so paid by reason of this paragraph shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after Executive's separation from service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of Executive's death).

(d) None of the Company, its affiliates or any of their respective officers, directors, employees, owners or shareholders shall be held liable for any taxes, interest, penalties or other amounts owed by Executive as a result of the compensation and benefits contemplated by this Agreement (including, without limitation, by application of Section 409A), subject to the Company's withholding right pursuant to Section 5.12.

5.14 Number and Gender; Examples. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders. Where specific language is used to clarify by example a general statement contained herein, such specific language shall not be deemed to modify, limit or restrict in any manner the construction of the general statement to which it relates.

5.15 Section Headings. The section headings of, and titles of paragraphs and subparagraphs contained in, this Agreement are for the purpose of convenience only, and they neither form a part of this Agreement nor are they to be used in the construction or interpretation thereof.

5.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. This Agreement shall become binding when one or more counterparts hereof, individually or taken together, shall bear the signatures of all of the parties reflected hereon as the signatories. Photographic copies of such signed counterparts may be used in lieu of the originals for any purpose.

[The remainder of this page has intentionally been left blank.]

The parties have executed this Agreement as of the Effective Date.

/s/ John V. Schaefer

John V. Schaefer

Sportsman's Warehouse Holdings, Inc.

By: /s/ Kevan Talbot

Its: CFO

Subsidiaries

Sportsman's Warehouse Holdings, Inc.

Sportsman's Warehouse, Inc.

Sportsman's Warehouse Southwest, Inc.

Pacific Flyway Wholesale, LLC

Jurisdiction of Incorporation

Delaware

Utah

California

Delaware