IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
AMERICAN TIRE DISTRIBUTORS, INC., *et al.*,[1]	)	Case No. 24-12391 (___)
Debtors.	)	(Joint Administration Requested)

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

The above-captioned debtors and debtors in possession (collectively, the "Debtors") state as follows in support of this motion:[2]

Preliminary Statement

1. The Debtors commenced these chapter 11 cases with less than $30 million in available liquidity. The debtor-in-possession financing documented by the DIP Documents, and as described in this motion, is essential for the Debtors to continue to operate their businesses during these chapter 11 cases, preserve the value of the Debtors' estates, and position the business

[1] The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification numbers, are American Tire Distributors, Inc. (4594); ATD New Holdings II, Inc. (4985); ATD New Holdings III, Inc. (0977); ATD New Holdings, Inc. (3406); ATD Sourcing Solutions, LLC (5225); ATD Technology Solutions Inc. (N/A); FLX FWD Logistics, LLC (3334); Hercules Tire International Inc. (N/A); Terry's Tire Town Holdings, LLC (7409); The Hercules Tire & Rubber Company (3365); Tire Pros Francorp, LLC (1813); Tirebuyer.com, LLC (9093); and Torqata Data and Analytics LLC (4992). The location of Debtors' principal place of business and the Debtors' service address in these chapter 11 cases is 12200 Herbert Wayne Court, Huntersville, NC 28078.

[2] A detailed description of the Debtors and their business, including the facts and circumstances giving rise to the Debtors' chapter 11 cases, is set forth in the *Declaration of Ronald J. Bienias, Chief Restructuring Officer of American Tire Distributors, Inc., in Support of Debtors' Chapter 11 Petitions and First Day Motions* filed contemporaneously herewith (the "First Day Declaration"). Capitalized terms used but not immediately defined shall have the meanings assigned to them elsewhere in the First Day Declaration, that certain restructuring support agreement, dated as of October 22, 2024 (the "Restructuring Support Agreement"), or this motion, as applicable.

for a successful going concern sale. Additionally, the infusion of $250 million of new money by certain of the Debtors' existing lenders will provide a critical liquidity infusion to satisfy the Debtors' working capital and operational needs. As discussed further herein, the Debtors have an immediate need for access to the DIP Facilities and the use of Cash Collateral, absent which the Debtors will suffer immediate and irreparable harm.

2. The proposed DIP Lenders, including (i) an ad hoc group of Prepetition First Lien Term Loan Lenders (as defined herein) and the 2024 FILO Lenders (as defined herein) (collectively, the "DIP Term Lenders")[3] and (ii) the Prepetition ABL Lenders (as defined herein) (the "DIP ABL Lenders" and, together with the DIP Term Lenders, the "DIP Lenders"), have agreed to provide the Debtors with a DIP financing facility consisting of (x) the conversion of the Prepetition ABL Facility (as defined herein) to a superpriority debtor-in-possession asset-based financing facility (the "DIP ABL Facility" and, the loans extended thereunder, the "DIP ABL Loans" and, together with all obligations under the DIP ABL Facility, the "DIP ABL Obligations") and (y) new multiple draw term loan credit facility comprised of (1) $250 million (the "New Money DIP Term Loans") of new money, of which $125 million will be funded into escrow upon entry of the Interim Order (the "Interim New Money DIP Term Loans"), and the remainder will become available upon the entry of the Final Order (the "Final New Money DIP Term Loans"), (2) the conversion of all amounts outstanding under the 2024 Delayed Draw FILO Facility to 2024 FILO Roll-Up DIP Loans, and (3) the conversion of $750 million of Prepetition Term Loans to Term Loan Roll-Up DIP Loans.

[3] The DIP Term Lenders hold in the aggregate approximately 90% of the Prepetition First Lien Term Loans and 100% of the 2024 Delayed Draw FILO Loans.

3. The DIP Facilities are the product of extensive, hard fought, and arm's-length negotiations between the Debtors and the DIP Lenders over the last several weeks. *See* Murray Decl. ¶ 2. During that time, the Debtors and the DIP Lenders (through their respective advisors) exchanged multiple drafts of term sheets outlining the terms of the DIP Facilities and held numerous phone conferences negotiating the same. *Id.* ¶ 15. The DIP Facilities will provide the Debtors with access to the amount of capital that the Debtors, in consultation with their advisors, believe is necessary to effectively and efficiently administer these chapter 11 cases and to maintain operations during these chapter 11 cases without significant interruption. Bienias Decl. ¶ 15. The Prepetition Secured Parties[4] have also consented to or are deemed to have consented to the Debtors' use of their cash collateral in compliance with the Approved Budget and in exchange for the package of adequate protection provided under the DIP Documents and the Interim Order.

4. While negotiating with the Debtors' existing lenders, the Debtors, with the assistance of their investment banker Moelis & Company ("Moelis"), evaluated opportunities for out-of-court and in-court financing, including the availability and viability of third-party financing as an alternative to the DIP Facilities. As described in the Bienias Declaration, prior to the Petition Date, the Debtors faced significant headwinds brought on by rising inflation, residual effects of the COVID-19 pandemic, and ongoing shifts in (i) consumer demand and (ii) market channels in the tire industry. Bienias Decl. ¶ 10–15. Considering the Company's quickly deteriorating liquidity position, the Debtors were forced to quickly pivot to solicit proposals for DIP financing.

[4] The "Prepetition Secured Parties" are comprised of (i) the lenders party to that certain Term Loan Credit Agreement, dated as of October 22, 2021, and Bank of America, N.A., as administrative agent and collateral agent, (the "Prepetition Term Loan Secured Parties"), (ii) the lenders party to that certain ABL Credit Agreement, dated as of October 22, 2021, and Wells Fargo Bank, National Association, as administrative agent and collateral agent (the "Prepetition ABL Secured Parties"), and (iii) the lenders party to that certain Third Amendment to ABL Credit Agreement dated as of July 24, 2024, and Wells Fargo Bank, National Association, as administrative agent and collateral agent (the "2024 Delayed Draw FILO Secured Parties").

Murray Decl. ¶ 9–10. Moelis contacted several third-party financial institutions regarding potential postpetition financing. *See id.* ¶ 12–13. Despite this outreach, the Debtors received no third-party financing proposals. *Id.* ¶ 15. Accordingly, the Debtors negotiated intensely with their existing lenders, focusing their efforts on an ad hoc group of the Debtors' existing lenders (the "Ad Hoc Group"), which includes the lenders under the 2024 Delayed Draw FILO Facility that provided the Debtors with $75 million of new money in July 2024 and the Prepetition ABL Lenders. *Id.* ¶ 14–15. The DIP Facilities represent the only viable path to postpetition financing for the Debtors. Entry into the DIP Facilities is a sound exercise of the Debtors' sound business judgment, and the DIP Facilities should be approved.

5. The DIP Facilities include a "roll-up" component with respect to the DIP ABL Facility: (a) upon entry of the Interim Order, (i) all Cash Management Obligations, Hedging Obligations, and issued and outstanding Letters of Credit (each as defined in the Prepetition ABL-FILO Credit Agreement) shall automatically be deemed exchanged for and issued under the DIP ABL Credit Agreement and shall constitute DIP Obligations (the "Initial ABL Roll-Up"), (ii) all cash, collections and proceeds of collateral securing the DIP ABL Facility (the "DIP ABL Priority Collateral") shall be deemed, on a dollar-for-dollar basis, to reduce the Revolving Credit Commitments (as defined in the Prepetition ABL-FILO Credit Agreement) and be deemed to be DIP Obligations in the same amount on a dollar-for-dollar basis (the "Creeping ABL Roll-Up"), and (b) upon the entry of the Final Order, all remaining outstanding Prepetition ABL Obligations will automatically be deemed exchanged and converted on a cashless basis into and constitute DIP Obligations (the "Full ABL Roll-Up" and, together with the Initial ABL Roll-Up and the Creeping ABL Roll-Up, the "DIP ABL Roll-Up Obligations").

6. With respect to the New Money DIP Term Loans, the DIP Facilities also include a roll-up component: (a) upon entry of the Interim Order, a "roll-up" of all 2024 Delayed Draw FILO Loans (as defined herein), including any accrued interest and make-whole premiums, into DIP Term Loan Obligations (such rolled up amounts, the "2024 FILO Roll-Up DIP Loans") plus a three-to-one "roll-up" of the Prepetition First Lien Term Loans to the Interim New Money DIP Term Loans actually funded (such rolled up amounts, the "Term Loan Roll-Up DIP Loans" and, together with the 2024 FILO Roll-Up DIP Loans and the New Money DIP Term Loans, the "DIP Term Loans" and, together with the DIP ABL Facility, the "DIP Facilities"). The proposed DIP Term Loan Facility also includes certain fees and expenses, discussed in greater detail below, which are paid on a non-cash basis up front, by including such amounts in the outstanding principal balance of the DIP Term Loan Facility on a "gross-up" basis. The Debtors will incur $31.3 million in original issue discount and other fees on account of the Term Loan Roll-Up DIP Loans ($21.9 million of which is payable up front and $9.4 million of which will be payable in connection with the second draw) and $17 million in accrued interest and a make-whole premium on account of the 2024 FILO Roll-Up DIP Loans (all paid up front in connection with the first draw). All such fees are payable in kind and included as DIP Obligations (as defined herein). Because there will not be a roll-up on account of these amounts, the outstanding DIP Obligations on the Interim New Money DIP Term Loans will be $146.9 million and the outstanding DIP Obligations on account of the 2024 FILO Roll-Up DIP Loans will be $92 million.

7. The DIP Facilities will provide the Debtors with access to crucially needed liquidity that will enable the Debtors to, among other things, honor employee wages and benefits, procure goods and services, fund general and corporate operating needs, make payments to critical vendors, and administer these chapter 11 cases, in each case in accordance with the agreed-upon

Budget. As security for the DIP Obligations, all of the Debtors will guarantee the obligations under the DIP Facilities and grant the liens described herein.

8. In addition, by this motion, the Debtors seek the Court's authorization to access and use cash collateral within the meaning of section 363(a) of the Bankruptcy Code (the "Cash Collateral"). Access to Cash Collateral, in addition to the liquidity provided by the DIP Facilities, will enable the Debtors to operate their businesses and administer their estates for the benefit of their stakeholders. The Prepetition Secured Parties have consented or are deemed to have consented to the continued use of Cash Collateral on the terms included in the Interim Order and in accordance with the Approved Budget.

9. The relief requested by this motion is necessary to preserve the Debtors' operations and maximize the value of the Debtors' estates for the benefit of all creditors. For the reasons set forth in this motion, the First Day Declaration, and the DIP Declarations, the DIP Facilities and continued use of Cash Collateral, on the terms set forth in the Interim Order, are necessary to avoid immediate and irreparable harm and are in the best interests of the Debtors, their estates, and all stakeholders. The Debtors respectfully request that the Court enter the Interim Order.

Relief Requested

10. The Debtors seek entry of an interim order, substantially in the form attached hereto as **Exhibit A** (the "Interim Order") and a final order (the "Final Order," and together with the Interim Order, the "DIP Orders"):[5]

a. ***DIP ABL Facility***: authorizing the Debtors to obtain senior secured debtor-in-possession asset-based financing on a superpriority basis that provides up to $1,200 million in the aggregate principal amount of a senior secured, superpriority, debtor-in-possession asset-based revolving credit facility, including a $80 million sublimit for the issuance of letters of credit, and providing for (i) the "roll up" of approximately $49 million in the face

[5] The Debtors will file the form of the Final Order prior to the Final Hearing (as defined herein).

amount of undrawn letters of credit issued under the Prepetition ABL Facility (as defined herein) and all Cash Management Obligations into the DIP ABL Facility and (ii) the refinancing of the Prepetition ABL Facility pursuant to a "creeping roll-up" whereby all cash, collections and proceeds of any Prepetition ABL Priority Collateral (as defined herein) shall pay down the Prepetition ABL Obligations (as defined herein), and any remaining outstanding Prepetition ABL Obligations, together with all accrued and unpaid interest, fees and expenses shall be fully "rolled" into the DIP ABL Facility and shall constitute DIP Obligations upon the entry of the Final Order granting such relief, all in accordance with the terms and conditions set forth in this Interim Order and that certain Ratification and Amendment Agreement (as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof, together with the schedules and exhibits attached thereto, the "DIP ABL Credit Agreement") attached to the Interim Order as Exhibit 4, by and among the American Tire Distributors, Inc. (the "DIP ABL Borrower"), any Debtors guarantors of the DIP ABL Obligations (the "DIP ABL Guarantors" and, together with the DIP ABL Borrower, the "DIP ABL Loan Parties"), the DIP ABL Lenders, Wells Fargo Bank, National Association, as administrative agent and collateral agent (in such capacities, the "DIP ABL Agent" and, together with the DIP ABL Lenders, the "DIP ABL Secured Parties") and the other agreements, documents, instruments and/or amendments executed and delivered in connection therewith (collectively, the "DIP ABL Documents");

b. ***DIP Term Loan Facility***: authorizing Parent Borrower, as the borrower (the "DIP Term Loan Borrower" and, together with the DIP ABL Borrower, the "Borrowers") to obtain senior secured postpetition debtor-in-possession financing on a superpriority basis under a $1,123.3 million term loan facility ($250 million of which is new money), (the "DIP Term Loan Facility" and, all obligations thereunder, the "DIP Term Loan Obligations" and, together with the DIP ABL Obligations, the "DIP Obligations") and for the Debtors (other than the DIP Term Loan Borrower) (collectively, the "DIP Term Loan Guarantors"; and together with the DIP Term Loan Borrower, collectively, the "DIP Term Loan Parties"; the DIP Term Loan Parties and the DIP ABL Loan Parties are hereinafter referred to as the "Loan Parties") to guarantee unconditionally the DIP Term Loan Obligations, all in accordance with the terms and conditions set forth in this Interim Order, the Final Order and the DIP Term Loan Documents (as defined herein), including that certain $250 million Senior Secured Debtor in Possession Term Loan Facility Summary of Terms and Conditions (as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Interim Order, the "DIP Term Loan Term Sheet" and, together with the DIP ABL Credit Agreement, the "DIP Agreements"), attached to the Interim Order as Exhibit 4, and, collectively with the schedules and exhibits attached thereto, all other DIP Term Loan Facility Documents (as defined in the DIP Term Loan Term Sheet), (and all

agreements, documents, instruments, and/or amendments executed and delivered in connection therewith, the "DIP Term Loan Documents" and, together with the DIP ABL Documents, the "DIP Documents") among the DIP Term Loan Parties, the lenders party thereto (the "DIP Term Lenders" and, together with the DIP ABL Lenders, the "DIP Lenders") and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent (in such capacities, the "DIP Term Loan Agent" and, together with the DIP ABL Agent, the "DIP Agents" and, collectively with the DIP Lenders, the "DIP Secured Parties"), consisting of:

i. new money term loans in an aggregate principal amount of up to $250 million available in two draws of which (A) a principal amount of $125 million will be funded into escrow in a single draw upon satisfaction of the conditions set forth in the DIP Term Loan Documents and the entry of this Interim Order and (B) an additional principal amount of $125 million which will be funded into escrow in a single draw upon satisfaction of the conditions set forth in the DIP Term Loan Documents and the entry of the Final Order;

ii. upon entry of this Interim Order, a "roll up" of all 2024 Delayed Draw FILO Loans (as defined herein) into DIP Term Loan Obligations; and

iii. upon entry of this Interim Order, a "roll up" of Prepetition First Lien Term Loans held by the Prepetition Term Loan Lenders (or any of their affiliates) on a 3 to 1 ratio[6] of Prepetition Term Loan Obligations to Interim New Money DIP Term Loans actually funded and, upon entry of the Final Order, a "roll up" of additional Prepetition Term Loan Obligations held by the New Money DIP Loan Lenders on a 3 to 1 ratio of Prepetition Term Loan Obligations to Final New Money DIP Term Loans actually funded into DIP Term Loan Obligations;

c. ***DIP Documents***: approving the terms of, and authorizing the Debtors to enter into the DIP Documents, and certain guarantee, security, intercreditor, and other relevant documentation as may be necessary, appropriate, or desirable in connection with entry into the DIP Facilities, and to perform all of the Debtors' obligations arising thereunder;

d. ***Cash Collateral***: authorizing the Debtors to continue to use cash collateral (as defined by section 363(a) of the Bankruptcy Code, the "Cash Collateral") and all other Prepetition Collateral (as defined herein) subject

[6] The ratio of total rolled-up claims in connection with the issuance of the New Money DIP Term Loans will be 3.7:1 after the first draw and 3.4:1 after the second draw.

to the terms and conditions set forth in the DIP Documents and the DIP Orders;

e. ***Security and Priority***: in the relative priorities set forth on Exhibit 2 to the Order, granting:

i. subject and subordinate to (a) the Carve Out in all respects and (b) certain Permitted Liens as defined in the DIP Orders, as applicable, (I) the DIP ABL Liens and (II) superpriority administrative expense status and liens on the ABL Priority Collateral to claims arising from DIP ABL Obligations in favor of the DIP ABL Secured Parties, and

ii. subject and subordinate to (a) the Carve Out in all respects, (b) certain Permitted Liens as defined in the DIP Orders, as applicable, and (c) the prepetition and postpetition liens[7] of the Prepetition ABL Secured Parties on the DIP ABL Priority Collateral (each as defined herein), (I) the New Money DIP Term Loan Liens on the ABL Priority Collateral and (II) superpriority administrative expenses status to claims arising from New Money DIP Term Loan Obligations in favor of the DIP Term Lenders;

iii. subject and subordinate to (a) the Carve Out in all respects and (b) certain Permitted Liens as defined in the DIP Orders, as applicable, (I) the New Money DIP Term Loan Liens on the Term Loan Priority Collateral and (II) superpriority administrative expenses status to claims arising from New Money DIP Term Loan Obligations in favor of the DIP Term Lenders;

iv. subject and subordinate to (a) the Carve Out in all respects, (b) certain Permitted Liens as defined in the DIP Orders, as applicable, and (c) the prepetition and postpetition liens of the Prepetition Term Loan Lenders and the 2024 Delayed Draw FILO Lenders, (I) the DIP ABL Liens on the Term Loan Priority Collateral and (II) superpriority administrative expenses status to claims arising from New Money DIP Term Loan Obligations in favor of the DIP Term Lenders;

f. ***Adequate Protection***: authorizing the Debtors to incur the applicable Adequate Protection Obligations (as defined herein) in favor of the respective Prepetition Secured Parties;

[7] Excluding claims and liens arising under the Original FILO.

g. ***Fees***: authorizing the Debtors to pay the interest and fees required by the DIP Agents and the DIP Lenders under the DIP Documents as such become earned, due and payable;

h. ***Automatic Stay***: modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and conditions of the DIP Orders; and

i. ***Final Hearing***: scheduling a final hearing to consider entry of the Final Order (the "Final Hearing").

11. In support of this motion, the Debtors file contemporaneously herewith the *Declaration of Rachel Murray in Support of the Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, Scheduling a Final Hearing and (V) Granting Related Relief* (the "Murray Declaration") and the *Declaration of Ronald J. Bienias in Support of the Motion of Debtors for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Liens and Superpriority Administrative Expense Claims, (III) Modifying the Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "Bienias Declaration" and, together with the Murray Declaration, the "DIP Declarations"), and the First Day Declaration.

Jurisdiction and Venue

12. The United States District Court for the District of Delaware has jurisdiction over this matter pursuant to 28 U.S.C. § 1334, which was referred to the United States Bankruptcy Court for the District of Delaware (the "Court") pursuant to 28 U.S.C. § 157 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Debtors confirm their consent, pursuant to rule 9013-1(f) of the

Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), to the entry of a final order by the Court in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

13. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

14. The statutory bases for the relief requested herein are sections 105, 361, 362, 363, 364, 503, 506, 507, and 552 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "Bankruptcy Code"), rules 2002, 4001, and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Rules 2002-1, 4001-2, and 9013-1.

Background

15. The Debtors are the largest distributor of replacement tires in North America based on dollar amount of wholesale sales. With their network of over 110 distribution centers and 1,500 delivery vehicles, the Debtors service a geographic region covering more than 90 percent of the replacement tire market for passenger vehicles and light trucks in the United States. The Debtors carry many of the nation's leading tire brands including Michelin®, Pirelli®, and Continental®. In addition, the Debtors' proprietary Hercules® brand is a leading private tire brand in North America. The Debtors are headquartered in Huntersville, North Carolina. The Debtors and their non-Debtor subsidiaries generated approximately $5.7 billion in revenue in fiscal year 2023 and currently employ over 4,500 people in the United States.

16. On October 22, 2024 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Concurrent with the filing of this motion, the Debtors filed a motion

requesting procedural consolidation and joint administration of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). No request for the appointment of a trustee or examiner has been made in these chapter 11 cases and no official committees have been appointed or designated.

Concise Statement Pursuant to Bankruptcy Rules 4001(b) and 4001(c), and Local Rule 4001-2

17. The below chart contains a summary of the material terms of the proposed DIP Facilities, together with references to the applicable sections of the relevant source documents, as required by Bankruptcy Rules 4001(b)(1)(B) and 4001(c)(1)(B) and Local Rule 4001-2.[8]

Bankruptcy Rule	Summary of Material Terms[9]
Borrowers Bankruptcy Rule 4001(c)(1)(B)	**DIP ABL Borrowers**: American Tire Distributors, Inc. and each other Borrower from time to time party thereto. *See* DIP ABL Credit Agreement, Preamble. **DIP Term Loan Borrower**: American Tire Distributors, Inc. *See* DIP Term Loan Term Sheet, "Borrower."
Guarantors Bankruptcy Rule 4001(c)(1)(B)	**DIP ABL Guarantors**: ATD New Holdings III, Inc., as parent guarantor, and the Subsidiaries of American Tire Distributors, Inc. identified as Guarantors in the DIP ABL Credit Agreement. *See* DIP ABL Credit Agreement, "Collateral and Guarantee Requirement." **DIP Term Loan Guarantors**: The Debtors identified in Schedule 1 to the DIP Term Loan Term Sheet. *See* DIP Term Loan Term Sheet, "Guarantors."
DIP Lenders Bankruptcy Rule 4001(c)(1)(B)	**DIP ABL Lenders**: The several banks and other financial institutions or entities from time-to-time party to the DIP ABL Credit Agreement. *See* Ratification and Amendment Agreement to DIP ABL Credit Agreement, Preamble. **DIP Term Lenders**: The several financial institutions or entities from time-to-time party to the DIP Term Loan Facility Documents. *See* DIP Term Loan Term Sheet, "DIP Lenders."

8 The summaries contained in this motion are qualified in their entirety by the provisions of the documents referenced. To the extent anything in this motion is inconsistent with such documents, the terms of the applicable documents shall control. Capitalized terms used in this summary chart but not otherwise defined have the meanings ascribed to them in the DIP Documents, as applicable.

9 Capitalized terms used herein but not otherwise defined herein shall have the meanings given to such terms in the Ratification and Amendment Agreement to DIP ABL Credit Agreement, DIP ABL Credit Agreement or DIP Term Loan Term Sheet, as applicable.

Bankruptcy Rule	Summary of Material Terms[9]
DIP Agents Bankruptcy Rule 4001(c)(1)(B)	**DIP ABL Agent**: Wells Fargo Bank, National Association. *See* DIP ABL Credit Agreement, Preamble. **DIP Term Loan Agent**: Wilmington Savings Fund Society, FSB. *See* DIP Term Loan Term Sheet, "DIP Term Loan Agent and DIP Escrow Agent."
Term Bankruptcy Rule 4001(b)(l)(B)(iii), 4001(c)(1)(B) Local Rule 4001-2(a)(ii)	**DIP ABL Facility**: The maturity date with respect to the DIP ABL Facility (the "DIP ABL Maturity Date") shall be the earliest of: (a) the date that is 120 days after the Petition Date (or such later date as Administrative Agent may approve in writing in its sole discretion); (b) the substantial consummation (as defined in Section 1101 of the Bankruptcy Code and which for purposes hereof shall be no later than the "effective date" thereof) of a plan of reorganization filed in the chapter 11 cases that is confirmed pursuant to an order entered by the Court; (c) the acceleration of the Loans and the termination of the Commitments in accordance with the DIP ABL Credit Agreement; (d) the consummation of a sale of all or substantially all of the assets of the Loan Parties, and (e) dismissal of any of the chapter 11 cases or conversion of any of the chapter 11 cases to a case under chapter 7 of the Bankruptcy Code. *See* DIP ABL Credit Agreement, "Maturity Date." **DIP Term Loan Facility**: The maturity date with respect to the DIP Term Loan Facility (the "DIP Term Loan Maturity Date") shall be the earliest of: (a) the date that is 120 days after the Closing Date; *provided that* such date may be extended with the consent of the Supermajority New Money DIP Lenders by 30 days (and if such date shall be a business day, the next succeeding business day) so long as (i) no default or Event of Default shall exist or result therefrom, (ii) the representations and warranties are true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualified, true and correct in all respects) immediately prior to, and after giving effect to, such extension, 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, (iii) the DIP Orders shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Supermajority New Money DIP Lenders, and (iv) the Supermajority New Money DIP lenders, in their sole discretion, shall be satisfied with the Approved Budget; (b) the substantial consummation (as defined in Section 1101 of the Bankruptcy Code and which for purposes hereof shall be no later than the "effective date" thereof) of a plan of reorganization filed in the chapter 11 cases that is confirmed pursuant to an order entered by the Court; (c) the acceleration of the DIP Term Loans and the termination of the DIP Term Loan Commitments in accordance with the DIP Term Loan Facility Documents; (d) the consummation of a sale of all or substantially all of the assets of the Debtors pursuant to Section 363 of the Bankruptcy Code; and (e) dismissal of the chapter 11 cases or conversion of the chapter 11 case to a case under chapter 7 of the Bankruptcy Code. *See* DIP Term Loan Term Sheet, "DIP Term Loan Facility Termination Date."
Commitments Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(A), (O)	**DIP ABL Facility**: The DIP ABL Facility shall consist of a $1,100 million asset-based revolving credit facility and a $100 million FILO term loan facility. *See* Ratification and Amendment Agreement to DIP ABL Credit Agreement, "ABL DIP Facility"; Interim Order ¶ 3.

Bankruptcy Rule	Summary of Material Terms[9]
	DIP Term Loan Facility: The DIP Term Loan Facility shall consist of a new money term loan facility in an aggregate principal amount equal to $250 million, with $125 million available to the Debtors in a single draw upon the entry of the Interim Order, and the remaining $125 million available to the DIP Term Loan Borrower in a single draw upon the entry of the Final Order. The proposed DIP Term Loan Facility also includes $31.3 million in fees and expenses, which are payable in kind and included as DIP Obligations. Because there will not be a roll-up on account of these amounts, the outstanding DIP Obligations on the Interim New Money DIP Term Loans will be $146.9 million and the outstanding DIP Obligations on account of the 2024 FILO Roll-Up DIP Loans will be $92 million. *See* DIP Term Loan Term Sheet, "DIP Term Loan Facility"; Interim Order ¶ 3.
Interest Rates Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(B)	**DIP ABL Facility**: The DIP ABL Facility shall bear interest consistent with the default rate defined in the DIP ABL Credit Agreement. *See* DIP ABL Credit Agreement, "Applicable Rate." **DIP Term Loan Facility**: At the option of the Borrower, the New Money DIP Term Loans shall bear interest on the outstanding principal amount thereof for each Interest Period at a rate per annum equal to Term SOFR for such Interest Period *plus* 9.50% per annum or Base Rate plus 8.50% per annum, *provided*, that the Borrower shall pay a portion of interest rate equal to Term SOFR plus 1.50% per annum or Base Rate plus 0.50% per annum, as applicable, in cash and the remaining 8.00% of such interest rate in-kind by adding such interest rate margin to the aggregate outstanding principal balance of the New Money DIP Term Loans, monthly in arrears, but subject, in the case of Term SOFR, to a 3.00% Floor. *See* Annex A to DIP Term Loan Term Sheet, "Interest Rates."
Conditions of Borrowing Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(E)	**DIP ABL Facility**: Conditions to Effectiveness. The initial borrowing under the DIP ABL Credit Agreement is subject to the satisfaction or waiver of the following conditions precedent: a. The preparation, authorization and execution of the ABL DIP Documents with respect to the ABL DIP Facility, in form and substance acceptable to the Loan Parties, the ABL DIP Lenders and ABL DIP Agent. b. The ABL DIP Lenders and ABL DIP Agent shall have received and approved the Initial Budget. c. The delivery of (i) a secretary's (or other officer's) certificate of the Borrowers and each of the other Loan Parties, dated as of the Ratification Effective Date and in such form as is customary for the jurisdiction in which the relevant Loan Party is organized, with appropriate insertions and attachments; and (ii) a customary closing officer's certificate of the Borrower. d. The preparation, authorization and execution of the Term DIP Documents with respect to the Term Loan DIP Facility, the Term Loan DIP Facility shall be in full force and effect and there shall not be a default or event of default thereunder. e. The Restructuring Support Agreement shall be in full force and effect. f. The Structuring Fee and all premiums, payments, fees, costs and expenses (including, without limitation, the fees and expenses of the ABL DIP Lender Advisors and all other counsel, financial advisors and other professionals of the

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	ABL DIP Lenders and ABL DIP Agent (whether incurred before or after the Petition Date) to the extent earned, due and owing, and including estimated fees and expenses through the Ratification Effective Date) shall have been paid. g. All documentation and other information about the Loan Parties required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations (including without limitation PATRIOT Act and beneficial ownership certificates), as has been reasonably requested in writing by ABL DIP Agent at least ten business days prior to the Ratification Effective Date will be provided not later than the date that is three business days prior to the Ratification Effective Date. h. ABL DIP Agent shall have a fully perfected lien on the DIP Collateral to the extent required by the ABL DIP Documents and the Interim DIP Order, having the priorities set forth in the Interim DIP Order. i. All first day motions filed by the Loan Parties on the Petition Date and related orders entered by the Court in the chapter 11 cases (including any motions related to cash management or any critical vendor or supplier motions) shall be in form and substance reasonably satisfactory to ABL DIP Agent and the Required ABL DIP Lender. Conditions Precedent to all Extensions of Credit. The obligation of the DIP Lenders (or any member thereof) to make any Loans after the Ratification Effective Date under the DIP ABL Credit Agreement (or to extend any other credit under the DIP ABL Credit Agreement) at any time shall be subject to the following conditions precedent (except as otherwise expressly provided for in the DIP ABL Credit Agreement): a. Representations and Warranties. The representations and warranties of the Borrowers and each other Loan Party contained in Article V or any other Loan Document shall be true and correct in all material respects on and as of the date of such Credit Extension; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect," or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates; provided, the proceeds of which will be used to finance a Limited Condition Transaction, the foregoing will be limited to the Specified Representations. b. Defaults. No Default or Event of Default shall exist, or would result from such proposed Credit Extension or from the application of the proceeds therefrom. c. Request for Credit Extension. The Administrative Agent and, if applicable, the relevant L/C Issuer or the Swing Line Lender shall have received a Committed Loan Notice, a Swing Line Loan Notice or a Letter of Credit Application, as applicable, relating to the Credit Extension, in each case, in accordance with the requirements of the DIP ABL Credit Agreement. d. Total Outstandings. After giving effect to the Loans or Letters of Credit requested to be made or issued on any such date and the use of proceeds thereof, the Total Revolving Credit Outstandings shall not exceed the Line Cap at such time. e. Solely with respect to Credit Extensions occurring on or after the date that is ten (10) business days after the entry of the Interim Order (or such later date as Lender may approve in writing in its sole discretion), a final order approving the Loan Documents in form and substance satisfactory to Administrative

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	Agent in its sole discretion (as the same may be amended, supplemented or modified from time to time after entry thereof in accordance with the terms of the DIP ABL Credit Agreement, the "Final Financing Order") (it being understood and agreed that an order entered by the Court substantially in the form of the Interim Financing Order, with only such modifications as are satisfactory in form and substance to Lender in its sole discretion shall, if entered by the Court, be deemed acceptable to Lender), (i) shall have been entered by the Court and shall be in full force and effect and (ii) shall not have been (A) vacated, reversed, or stayed, or (B) amended or modified except as otherwise agreed to in writing by Lender in its sole discretion. Each Request for Credit Extension (other than a Committed Loan Notice requesting a (x) conversion of Loans to the other Type or (y) continuation of Term SOFR Loans or Canadian BA Rate Loans, as applicable) submitted by the Administrative Borrower shall be deemed to be a representation and warranty that the applicable conditions specified in Sections 4.02(a) and (b) have been satisfied on and as of the date of the applicable Credit Extension. *See* DIP ABL Credit Agreement, Section 4.02. **DIP Term Loan Facility**: Conditions to the Initial Term Borrowing on the Closing Date. The obligation of each DIP Lender to fund the Initial Term Borrowing under the DIP Term Loan Term Sheet on the Closing Date is subject to satisfaction or due waiver of each of the following conditions precedent and the applicable conditions precedent set forth in "Conditions Precedent to the Initial Extension of Credit" of the DIP Term Loan Term Sheet: a. DIP Agents' fee letter, in form and substance satisfactory to the DIP Agents' in their sole discretion, shall have been executed and delivered by each party thereto. b. The DIP Escrow Account shall have been established. c. The Petition Date shall have occurred, and each Loan Party (including Guarantors incorporated under the laws of Canada or any province thereof) shall be a debtor and a debtor in possession. d. Not later than three business days following the Petition Date, the Court shall have entered the Interim DIP Order in form and substance consistent with the DIP Term Loan Term Sheet and otherwise acceptable to DIP Agents, the Required Consenting Lenders and the Fronting Lender, which Interim DIP Order shall not have been vacated, reversed, modified, amended, or stayed. e. No trustee or examiner with expanded powers shall have been appointed with respect to any Loan Party or any of the Loan Parties' respective properties pursuant to section 1104 of the Bankruptcy Code. f. All fees, invoiced costs and expenses (including, without limitation, reasonable, documented and invoiced legal fees and expenses), and other compensation contemplated by the DIP Term Loan Facility Documents or otherwise required to be paid to the Ad Hoc Group Advisors, the DIP Agents and the DIP Lenders on or before the Closing shall have been paid. It being understood and agreed that the DIP Agents shall be entitled to net any administrative and/or agency fees from the proceeds of the funded New Money DIP Term Loans. g. The DIP Agents and the DIP Lenders shall have received, prior to the Closing Date, in form and substance satisfactory to the Required Consenting New

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	Money DIP Lenders, a thirteen-week rolling cash flow budget for the period from the Closing Date through the end of such thirteen-week period (such approved budget and subsequent budgets approved by the Supermajority New Money DIP Lenders as described below, the "Approved Budget"). Each budget provided after the Closing Date shall include the aggregate principal amount of undrawn and outstanding loans under the DIP ABL Facility. It being understood and agreed that the Approved Budget attached as Exhibit 3 to the Interim DIP Order is satisfactory to the Required Consenting New Money DIP Lenders. h. The DIP Agents and the DIP Lenders shall have received, on or prior to the Closing Date, customary closing deliverables with respect to each Debtor addressing such customary matters as the DIP Lenders shall reasonably request, including good standing certificates, secretary's certificates with organizational documents, resolutions and incumbency certificates attached and officer's closing certificate, in each case, in form and substance reasonably satisfactory to the Required Consenting New Money DIP Lenders. i. There shall exist no known unstayed action, suit, investigation, litigation, or proceeding pending in any court or before any arbitrator or governmental instrumentality (other than the chapter 11 cases) that would reasonably be expected to result in a Material Adverse Effect. j. Since the Petition Date, there shall not have occurred any circumstance or conditions, which individually or in the aggregate, constitutes or is reasonably expected to constitute, a Material Adverse Effect. k. All necessary and material governmental and third-party consents and approvals necessary in connection with the DIP Term Loan Facility and the transactions contemplated thereby shall have been obtained on or prior to the Closing Date (without the imposition of any materially adverse conditions to the DIP Lenders (taken as a whole) that are not acceptable to the Required Consenting New Money DIP Lenders) and shall remain in effect; and no law or regulation shall be applicable in the judgment of the Required Consenting New Money DIP Lenders, as applicable, that restrains, prevents, or imposes materially adverse conditions upon the DIP Term Loan Facility or the transactions contemplated thereby. l. The DIP Agents and each DIP Lender who has requested the same at least five business days before the Closing Date shall have received, no later than three business days before the Closing Date, all documentation and other information required under applicable "know your customer" and anti-money laundering rules and regulations, including the U.S. Patriot Act. m. Granting valid and perfected liens, satisfactory to the DIP Lenders, for the benefit of the DIP Agents and the DIP Lenders via entry of the Interim Order, on the security interests in the DIP Collateral of the Loan Parties contemplated by the "Security and Priority" section above (including granted pursuant to a customary security agreement in form and substance satisfactory to the DIP Agents and the DIP Lenders); the Loan Parties shall have delivered Uniform Commercial Code financing statements, in suitable form for filing satisfactory to the DIP Agents. n. The Restructuring Support Agreement shall be in full force and effect as of the Closing Date and shall not have been amended or modified without the consents required therein.

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	o. All "first day orders" entered at the time of commencement of the chapter 11 cases shall be satisfactory in form and substance to the Required Consenting New Money DIP Lenders; *provided*, *however*, the DIP Orders shall be satisfactory in form and substance to the Required Consenting Lenders. p. (i) The "Covenant Trigger Period" (as defined in the ABL Credit Agreement) and related provisions of the ABL Credit Agreement or the DIP ABL Credit Agreement, as applicable, shall have been amended on the terms satisfactory to the Required Consenting New Money DIP Lenders to reduce the Excess Availability threshold for the purposes of such "Covenant Trigger Period" definition (the "ABL Excess Availability Threshold") to the fixed amount of (x) upon entry of the Initial DIP Order, $64 million Order and (y) upon entry of the Final DIP Order and for the term of the DIP Term Loan Facility, $54 million; (ii) the definition of "Borrowing Base" and related provisions under the ABL Credit Agreement or the DIP ABL Credit Agreement, as applicable, shall remain unchanged and no discretionary reserves shall have been established as compared to those set forth in the ABL Credit Agreement in effect as of the date of the Restructuring Support Agreement and additional reserves added shortly prior to the Petition Date have been removed (collectively, together with interest rates referred to in clause R below, "Certain ABL Components") and (iii) the DIP Term Loan Agent and the DIP Lenders shall have received copies of such Ratification and Amendment Agreement with the DIP ABL Credit Agreement attached thereto as Exhibit A, duly executed by all parties thereto. q. The loans (other than the 2024 Delayed Draw FILO Loans) under the ABL Credit Agreement or the DIP ABL Credit Agreement, as applicable, shall bear interest at the *per annum* rate equal to the Default Rate under and as defined in the ABL Credit Agreement in effect as of the date of the Restructuring Support Agreement. r. (i) The Fronting Fee Letter and (ii) the Master Consent shall have been duly executed and delivered in each case to each of the parties signatory thereto. s. All premiums, fronting or seasoning fees, and the reasonable fees, costs, and expenses of professionals for the Fronting Lender (including, without limitation, the reasonable fees, charges and expenses of Orrick, Herrington & Sutcliffe LLP and Mandel, Katz & Brosnan LLP), in each case pursuant to invoices delivered to the Debtors before the Closing Date, and all other amounts required to be paid to the Fronting Lender in accordance with the Fronting Fee Letter, shall have been paid (or will be paid with the proceeds of the Loan(s) authorized under the Interim Order). *See* DIP Term Loan Term Sheet, "Conditions Precedent to the Initial extension of Credit." Conditions to All Credit Extensions. The obligation of each DIP Lender to honor any request for any DIP Term Loan after the Closing Date is subject to the following conditions precedent: a. No Default or an Event of Default under the DIP Term Loan Facility Documents shall exist, or would result from such proposed funding or from the application of the proceeds therefrom, unless waived by the Supermajority New Money DIP Lenders. b. The representations and warranties of the Loan Parties in the DIP Term Loan Facility Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and

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	correct in all respects (after giving effect to any qualification therein)) immediately prior to, and after giving effect to, such funding or issuance, 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, unless waived by the Required Consenting New Money DIP Lender. c. The making of such DIP Term Loan shall not violate any requirement of material law, the violation of which constitutes or is reasonably expected to constitute a Material Adverse Effect, after giving effect to the Interim DIP Order, the Final DIP Order, and any other order of the Court, and shall not be enjoined, temporarily, preliminarily or permanently, unless waived by the Required Consenting New Money DIP Lenders. d. The making of such DIP Term Loan shall not result in the aggregate outstanding amount under the DIP Term Loan Facility exceeding the amount authorized by the Interim DIP Order or the Final DIP Order, as applicable (or any sub-cap expressed in the DIP Term Loan Facility Documents), unless waived by the Required Consenting New Money DIP Lenders. e. With respect to the Final Draw, the Final DIP Order, which shall be consistent with the Interim DIP Order and otherwise in form and substance satisfactory to DIP Agents and the Required Consenting Lenders, and, so long as the New Money DIP Term Loans funded pursuant to the Initial Draw and any New Money DIP Term Loan Commitments have not been assigned by the Fronting Lender to the applicable DIP Lenders, the Fronting Lender, shall have been entered and the Interim DIP Order or Final DIP Order, as the case may be, shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect, unless waived by the Required Consenting Lenders. f. No Material Adverse Effect shall have occurred since the Petition Date, unless waived by the Required Consenting New Money DIP Lenders. g. None of the chapter 11 cases shall have been dismissed or converted to a chapter 7 case, unless waived by the Required Consenting New Money DIP Lenders. h. No trustee under chapter 7 or chapter 11 of the Bankruptcy Code or examiner with enlarged powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code shall have been appointed in any of the chapter 11 cases, unless waived by the Required Consenting New Money DIP Lenders. i. (A) with respect to the Initial Draw, the DIP Term Loan Agent shall have received, a written borrowing notice two business days prior to funding and (B) with respect to the Final Draw, the DIP Term Loan Agent shall have received, a borrowing notice five business days prior to funding, in each case, in the form set forth in the DIP Term Facility Documents and unless waived by the Required Consenting New Money DIP Lenders; j. Satisfaction by the Debtors of all DIP Milestones that have occurred as of each borrowing, unless waived by the Supermajority New Money DIP Lenders; k. The funding of the New Money DIP Term Loan complies with the Approved Budget, unless waived by the Supermajority New Money DIP Lenders; and l. Prior to the Final Draw, all material "first day" orders shall have been entered on a final basis and shall be reasonably satisfactory in form and substance to

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	the Required Consenting New Money DIP Lenders; *provided*, *however*, the DIP Orders shall be satisfactory in form and substance to the Required Consenting Lenders. *See* DIP Term Loan Term Sheet, "Conditions Precedent to Each DIP Term Loan after Closing." Withdrawal Conditions. The Borrower shall be allowed to make one or more withdrawals from the Escrow Account (each, a "Loan Withdrawal") after the Closing Date, subject to the satisfaction (or waiver by the Supermajority New Money DIP Lenders) of each of the following conditions: a. The DIP Term Loan Agent and the DIP Escrow Agent shall have received a Loan Withdrawal Notice in the form set forth on Exhibit A attached to the DIP Term Loan Term Sheet with respect to the New Money DIP Loans by no later than 12:00 Noon (New York time) one Business Day prior for a proposed withdrawal of such Loan Withdrawal on the immediately following Business Day (such date, the "Proposed Withdrawal Date"), which shall include a certification that the proceeds of such Loan Withdrawal shall be used pursuant to the Approved Budget (subject to Permitted Variances). b. The representations and warranties of the Loan Parties set forth in the DIP Term Loan Term Sheet shall be true and correct in all material respects on and as of the Proposed Withdrawal Date as though made on and as of such Proposed Withdrawal Date, 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. c. No default or Event of Default shall have occurred and be continuing on such Proposed Withdrawal Date or after giving effect to the Loan Withdrawal requested to be made. d. Then applicable Approved Budget shall be in full force and effect on and as of the Proposed Withdrawal Date, and the withdrawal shall be in accordance with such Approved Budget (subject to Permitted Variances). e. Then applicable DIP Order shall be in full force and effect and shall not have been reversed, vacated or stayed, and shall not have been amended, supplemented or otherwise modified without the prior written consent of the Required Consenting Lenders. f. The Loan Parties shall have satisfied each of the DIP Milestones (to the extent such DIP Milestone occurs prior to the Proposed Withdrawal Date) on or prior to the Proposed Withdrawal Date. g. Since the Closing Date, there shall be no changes to the Certain ABL Components unless such changes have been made in compliance with the terms of the DIP Term Loan Term Sheet. Any amounts withdrawn pursuant to a Loan Withdrawal that are not used pursuant to the Approved Budget shall either be (i) netted against any subsequent Loan Withdrawal or (ii) returned to the DIP Escrow Agent to be deposited in the DIP Escrow Account. *See* DIP Term Loan Term Sheet, "Withdrawal Conditions."
Use of DIP Facilities and Cash Collateral	The proceeds of (a) the New Money DIP Term Loans shall be used, in each case, subject to the Approved Budget and DIP Orders: (i) for the payment of working capital and other general corporate needs of the Debtors in the ordinary course of business; *provided*, *however*, that the payments to critical vendors shall be pursuant to critical

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Bankruptcy Rule 4001(b)(l)(B)(ii) Local Rule 4001-2(a)(ii)	vendor designation and approval procedures approved by the Required Consenting New Money DIP Lenders; (ii) for the payment of the fees, costs, and expenses of administering the chapter 11 cases; (iii) to pay obligations arising from or related to the Carve Out; (iv) to pay such other prepetition obligations as set forth in the Approved Budget, or otherwise as approved by the Court, subject to the prior written consent of the Required Consenting New Money DIP Lenders acting in their sole discretion; (v) for the payment of the agency fees and reasonable and documented fees and expenses of the DIP Agents and the DIP Lenders owed under the DIP Term Loan Facility Documents; (vi) to make any adequate protection payments; and (vii) any other purposes of the Debtors permitted by the Approved Budget or approved by the prior written consent of the Required Consenting New Money DIP Lenders acting in their sole discretion, (b) the 2024 FILO Roll-Up Loans shall be deemed to be used to repay the equivalent principal amount of the 2024 Delayed Draw FILO Obligations outstanding under the ABL Credit Agreement, and (c) the Term Loan Roll-Up DIP Loans shall be deemed to be used to repay the equivalent principal amount of the Term Loan Obligations outstanding under the Term Loan Credit Agreement. The proceeds of the ABL DIP Loans under the ABL DIP Facility shall be used only for the following purposes: (i) the Roll-Up, (ii) payment of certain prepetition amounts contemplated in the Approved Budget (including prepetition payments to critical vendors identified by the Loan Parties) and solely as authorized by the Court pursuant to orders approving the first day motions filed by the Loan Parties, which orders shall be in form and substance reasonably satisfactory to ABL DIP Agent, (iii) to the extent contemplated in the Approved Budget and in accordance with the terms of the ABL DIP Facility and the Interim DIP Order/Final DIP Order, (iv) payment of the costs and expenses of administering the chapter 11 cases (including payments benefiting from the Carve Out) subject to the terms and conditions of the ABL DIP Facility, in each case of the forgoing, solely in accordance with and subject to the credit agreement governing the terms of the ABL DIP Facility, Interim DIP Order and Final DIP Order; *provided*, that, in no event shall the use of such proceeds result in variances from the Approved Budget that would be an Event of Default and (v) for working capital and other general corporate needs of the Debtors in the ordinary course of business in accordance with the Approved Budget. *See* Ratification and Amendment Agreement to DIP ABL Credit Agreement, Section 6.2; DIP Term Loan Term Sheet, "Purpose"; Interim Order ¶ 3.
Entities with Interests in Cash Collateral Bankruptcy Rule 4001(b)(l)(B)(i)	The following secured parties have an interest in Cash Collateral: the Prepetition Secured Parties. *See* Interim Order, ¶ G(e).
Fees Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(B)	The DIP Facilities also includes the following fees: **DIP Term Loan Facility**: a. *Upfront Fee*. The Debtors shall pay to DIP Term Lenders an upfront premium equal to 5.00% of the aggregate New Money DIP Term Loan Commitments, which shall be payable in kind as original issue discount or added to the principal amount of funded New Money DIP Term Loans on the Closing Date. b. *Exit Fee*. Upon, and on the date of, any repayment or prepayment of any DIP Term Loans or termination of any commitments to make DIP Term Loans in full or in part (other than any termination of such commitments solely as a result of the borrowing of any DIP Term Loans under the DIP Term Loan Term Sheet), the Debtors shall pay to the DIP Term Loan Agent, for the ratable

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	account of each DIP Term Lender, an exit fee in an amount equal to 6.00% of the sum of the principal amount of all DIP Term Loans and terminated commitments to make DIP Term Loans, or in the case of a partial repayment or prepayment, of the principal amount so repaid or prepaid, which shall be payable in cash unless subject to a credit bid. c. *DIP Term Loan Agent Fee*. The Debtors shall pay to the DIP Term Loan Agent, as and when due and payable under the terms of the DIP Term Loan Agent Fee Letter, the fees set forth therein. d. *Fronting Lender Fee*. The Debtors shall pay to the Fronting Lender, as and when due and payable under the terms of the Fronting Lender Fee Letter, the fees set forth therein. *See* Annex A to DIP Term Loan Term Sheet, "Upfront Premium" and "Exit Premium." **DIP ABL Facility**: a. *Structuring Fee.* The Debtors shall pay to the ABL DIP Agent, as and when due and payable under the terms of the Ratification and Amendment Agreement, $900,000 as consideration for providing the ABL DIP Facility. *See* Ratification and Amendment Agreement to DIP ABL Credit Agreement, Section 2.
Budget Bankruptcy Rule 4001 (c)(1)(B) Local Rule 4001-2(a)(i)(E) and 4001-2(a)(iii)	The Debtors will use the proceeds of the DIP Facilities (including in connection with any letters of credit) and Cash Collateral in accordance with the Approved Budget, attached to the Interim Order as Exhibit 3, and each subsequent Approved Budget, subject to Permitted Variances. *See* Interim Order, ¶ 21, Exhibit 3.
Variance Covenant Local Rule 4001-2(a)(i)(E) and 4001-2(a)(iii)	As of the last date of each Test Period, commencing with the third full week after the Petition Date, (1) the unfavorable variance (as compared to the Approved Budget) of the cumulative operating cash receipts of the Debtors shall not exceed 10% and (2) the unfavorable variance (as compared to the Approved Budget) of the cumulative operating disbursements (other than all professional fees, including professional fees and expenses incurred by the Debtors, the DIP Term Loan Agent, the DIP Escrow Agent, the DIP Lenders, the DIP ABL Agent, the DIP ABL Lenders, U.S. Trustee and the Creditor's Committee that are owed and payable by the Debtors) shall not exceed 10% in each case, based on a rolling four-week period (collectively, the "Permitted Variances"). *See* DIP Term Loan Term Sheet, "Financial Covenants"; Ratification and Amendment Agreement to DIP ABL Credit Agreement, "Permitted Variance."
Chapter 11 Milestones Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(H)	In addition to the above milestones, the DIP ABL Credit Agreement and the DIP Term Loan Term Sheet also provide for the following milestones: a. No later than October 22, 2024, the Debtors shall have commenced the chapter 11 cases in the Court and file, within 24 hours thereafter, the First Day Pleadings, including, with limitation, the DIP Motion; b. No later than three (3) days following the Petition Date, the Court shall have entered the Interim Order; c. No later than seven (7) days following the Petition Date, the Debtors shall have filed the Bidding Procedures Motion;

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	d. No later than fourteen (14) days following the Petition Date, the Debtors and the Required Consenting New Money DIP Lenders shall have made a determination as to necessity and form of any Canadian proceedings; e. No later than twenty-one (21) days following the Petition Date, the Required Consenting Lenders and the ABL Secured Parties shall have agreed on a proposal for exit ABL financing for the Credit Bid Sale Transaction; f. No later than twenty-one (21) days following the Petition Date, the Debtors shall have provided a business plan acceptable to the Required Consenting Lenders; g. No later than thirty-five (35) days following the Petition Date, the Court shall have entered the Bidding Procedures Order; h. No later than thirty-five (35) days following the Petition Date, the Court shall have entered the Final DIP Order; i. No later than forty-five (45) days following the Petition Date, an entity formed by the Ad Hoc Group (the "Purchaser") and the ABL Secured Parties shall have executed a commitment letter providing for ABL exit financing on terms conditions acceptable to the Required Consenting Lenders; j. No later than forty-five (45) days after the Petition Date, the Purchaser shall have provided evidence acceptable to the ABL Agent of commitments from the owners of the Purchaser to provide any necessary financing in connection with the purchase and operation of the Purchased Assets (as defined in the Sale Term Sheet); k. No later than sixty (60) days following the Petition Date, the bid deadline in the Bidding Procedures Order shall have occurred. l. No later than sixty-five (65) days following the Petition Date, the auction in the Bidding Procedures Order shall have occurred, if applicable; m. No later than seventy (70) days following the Petition Date, the Court shall have entered the Sale Order; and n. No later than eighty (80) days following the Petition Date, the Sale Transaction shall be consummated; *provided, however*, if the successful bidder is not the Purchaser, then this Milestone may be extended with the consent of the Supermajority New Money DIP Lenders. *See* RSA, Section 4.01.
Liens and Priorities Bankruptcy Rule 4001(c)(l)(B)(i) Local Rule 4001-2(a)(i)(G)	The liens contemplated by the DIP ABL Credit Agreement and the DIP Term Loan Term Sheet will follow the priority set forth in Exhibit 2 to the Interim Order. *See* Interim Order Exhibit 2.
Carve Out Bankruptcy Rule 4001(c)(1)(B) Local Rule 4001-2(a)(i)(F)	The Interim Order provides a "Carve Out" of certain statutory fees and allowed professional fees of the Debtors pursuant to section 1103 of the Bankruptcy Code. *See* Interim Order ¶ 12.

Bankruptcy Rule	Summary of Material Terms[9]
Repayment Features / Provisions Limiting Repayment Local Rule 4001-2(a)(i)(I)	**DIP Term Loan Facility**: Optional Prepayments: The Borrower may, upon at least three (3) business days' notice, prepay in full or in part, subject to breakage costs and the Exit Fee set forth on Annex A attached to the DIP Term Loan Term Sheet but otherwise without premium or penalty, the DIP Term Loans; *provided* that each such partial prepayment shall be in an aggregate amount of $1,000,000 or multiples of $500,000 in excess thereof (or, if less, the then outstanding principal amount of the DIP Term Loans). Once repaid, DIP Term Loans may not be re-borrowed. *See* DIP Term Loan Term Sheet, "Optional Prepayments." Mandatory Prepayments: Mandatory prepayments of the DIP Term Loans shall be required with 100% of the net cash proceeds from (A) the sale or other disposition of assets of the Borrower and its subsidiaries outside the ordinary course of business, with any exceptions to be agreed; *provided* that net cash proceeds from the disposition of ABL Priority Collateral (as defined in the ABL/Term Loan Intercreditor Agreement) shall not be required to be used to prepay DIP Term Loans to the extent required to prepay ABL Loans under the ABL Credit Agreement and/or loans under the ABL DIP Facility, (B) any casualty events, insurance and condemnation proceeds, subject to exceptions to be agreed, (C) any sale or issuance of debt (other than permitted debt to be agreed) and (D) any extraordinary receipts to be agreed, in each case, subject to breakage cost and the Exit Premium. Any optional or mandatory prepayments of the DIP Term Loans shall be applied as follows: (a) to the extent such prepayment is done with the proceeds of the ABL Priority Collateral, such prepayment shall be applied *first*, to prepay the 2024 FILO Roll-Up DIP Loans until all such 2024 FILO Roll-Up Loans are repaid in full, *second*, to prepay New Money DIP Term Loans until all such New Money DIP Term Loans are repaid in full and, *third*, to prepay any Term Loan Roll-Up DIP Loans until all such Term Loan Roll-Up DIP Loans are repaid in full and (b) to the extent such prepayment is done with the proceeds of the Term Priority Collateral, such prepayment shall be applied *first*, to prepay the New Money DIP Term Loans until all such New Money DIP Term Loans are repaid in full and, *second*, to prepay any 2024 FILO Roll-Up DIP Loans and Term Loan Roll-Up DIP Loans *pro rata*, until all such 2024 FILO Roll-Up DIP Loans and Term Loan Roll-Up DIP Loans are repaid in full. *See* DIP Term Loan Term Sheet, "Mandatory Prepayments."
Stipulations to Prepetition Liens and Claims Bankruptcy Rule 4001(c)(1)(B)(iii) Local Rule 4001-2(a)(i)(Q)	After consultation with their attorneys and financial advisors, and without prejudice to the rights of parties-in-interest but subject to the limitations set forth in paragraph G of the Interim Order, the Debtors, on their behalf and on behalf of their estates, admit, stipulate, acknowledge, and agree immediately upon entry of the Interim Order, to certain stipulations regarding the validity and extent of the Prepetition Secured Parties' claims and liens. *See* Interim Order ¶¶ G, 26, 27.
Challenge Period Bankruptcy Rule 4001(c)(l)(B) Local Rule 4001-2(a)(i)(Q)	The Interim Order provides for a standard and customary Challenge Period: a. at the earlier of: (i) subject to the Final Order, the commencement of a hearing to consider confirmation of a chapter 11 plan; and

Bankruptcy Rule	Summary of Material Terms[9]
	(ii) seventy-five calendar days after entry of the Interim Order (the "Challenge Period"); *provided* that b. if a chapter 11 trustee or chapter 7 trustee is appointed prior to the expiration of the Challenge Period, then such trustee will have the longer of (x) the remaining Challenge Period and (y) thirty days from the date of such trustee's appointment to commence a Challenge. *See* Interim Order ¶ 27.
Limitation on Estate Funds Related to the Challenge Period Local Rule 4001-2(a)(i)(L)	The Investigation Budget Cap with respect to Allowed Professional Fees to be incurred by the Creditors' Committee in connection with the Challenge is $75,000.00. *See* Interim Order ¶ 30.

Adequate Protection
Bankruptcy Rules 4001(b)(l)(B)(iv), 4001(c)(1)(B)(ii)
 	
Local Rule 4001-2(a)(i)(B), (G), (K)
	Adequate Protection for the Prepetition Primed Parties. Until the Prepetition Secured Obligations are Paid in Full, the Prepetition Primed Parties are entitled, pursuant to sections 361, 362, 363(e), and 364(d)(1) of the Bankruptcy Code, to adequate protection against the diminution in value, if any, of their interests in the Prepetition Collateral, including the Cash Collateral, in an amount equal to the aggregate diminution in the value of the Prepetition Primed Parties' respective interests in the Prepetition Collateral from and after the Petition Date, if any, resulting from the sale, lease or use by the Debtors of the Prepetition Collateral, the priming of the Primed Liens by the DIP Liens pursuant to the DIP Documents and this Interim Order and the imposition of the automatic stay pursuant to section 362 of the Bankruptcy Code (the "Diminution in Value"). In consideration of the foregoing, the Prepetition Primed Parties are hereby granted the following (collectively, the "Adequate Protection Obligations"), in each case, subject in all respects to the Carve Out and in accordance with the priorities set forth in Exhibit 2 to the Interim Order:
	
	a. ABL Adequate Protection Liens;
	
	b. ABL Adequate Protection 507(b) Claims;
	
	c. Prepetition ABL Interest Payments;
	
	d. Term Loan Adequate Protection Liens;
	
	e. Term Loan Adequate Protection 507(b) Claims;
	
	f. Reporting; and
	
	g. Adequate Protection Fees and Expenses.
	
	See Interim Order, ¶ 18.

Termination Events/ Events of Default Bankruptcy Rule 4001(c)(l)(B) Local Rule 4001-2(a)(i)(M), (S)	The DIP Term Loan Term Sheet, DIP ABL Credit Agreement, and Interim Order contain events of default (collectively, the "DIP Termination Events") that are usual and customary for debtor-in-possession financings, including without limitation, failure to comply with the budget and variance reporting and failure to satisfy any of the case milestones (unless otherwise waived or extended). *See* DIP ABL Credit Agreement, Section 8.01; DIP Term Loan Term Sheet, "Events of Default"; Interim Order, ¶ 22.

Bankruptcy Rule	Summary of Material Terms[9]
Remedies Notice Period and Emergency Hearing Local Rule 4001-2(a)(i)(S), (T)	Upon the occurrence and during the continuation of a DIP Termination Event and following the giving of not less than five days' advance written notice by counsel for the applicable DIP Agent, which may be by email (such period, the "Notice Period," and such notice, the "Enforcement Notice"), to counsel to the Debtors, the U.S. Trustee, counsel to the counsel to the Ad Hoc Group, counsel to the non-noticing DIP Agent and counsel to the Creditors' Committee, subject to the obligations with respect to the Carve Out, (i) the DIP Agents, acting at the direction of applicable DIP Lenders (as set forth in the applicable DIP Documents) may exercise any rights and remedies against the DIP Collateral available to them under this Interim Order, the DIP Documents and applicable non-bankruptcy law, and the DIP Secured Parties may exercise such rights available to them under the DIP Documents or the Interim Order, (ii) the Prepetition Secured Parties may exercise any rights and remedies to satisfy the Prepetition Secured Obligations and Adequate Protection Obligations, subject to the DIP Obligations, the DIP Superpriority Claims, the Permitted Liens (if any) and the Carve Out, and consistent with the Prepetition Secured Facilities Documents, including the Prepetition Intercreditor Agreements, and the relative rights and priorities as set forth on Exhibit 2 to the Interim Order, and (iii) the commitment of each DIP Lender to make DIP Loans will be terminated to the extent any such commitment remains under the DIP Facilities. *See* Interim Order ¶ 23, 24.
Waiver/Modification of the Automatic Stay Bankruptcy Rule 4001(c)(1)(B)(iv) Local Rule 4001-2(a)(i)(S)	Pursuant to the Interim Order, the automatic stay provisions of section 362 of the Bankruptcy Code are modified to the extent necessary to implement and effectuate the terms of the Interim Order. *See* Interim Order ¶ 20(c).
Liens on Avoidance Actions Bankruptcy Rule 4001(c)(1)(B)(xi) Local Rule 4001-2(a)(i)(U)	Subject to and upon entry of the Final Order, the DIP Liens shall not attach to the proceeds of any causes of action under sections 502(d), 544, 545, 547, 548, and 550 of the Bankruptcy Code or any other avoidance actions under the Bankruptcy Code or applicable non-bankruptcy law. *See* Interim Order ¶¶ 10, 11.
506(c) Waiver; Section 552(b) Waiver Bankruptcy Rule 4001(c)(1)(B)(x) Local Rule 4001-2(a)(i)(V) 4001-2(a)(i)(W)	Except to the extent of the Carve Out, no costs or expenses of administration of these chapter 11 cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, as such pertains to the DIP Secured Parties or the DIP Obligations without the prior written consent of the DIP Agents. Subject only to and effective upon entry of the Final Order granting such relief, except to the extent of the Carve Out, no costs or expenses of administration of these chapter 11 cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the Prepetition Collateral (including Cash Collateral) pursuant to section 506(c) of the Bankruptcy Code or any similar principle of law, without the prior written consent of the Prepetition Secured Agents. Subject in all respects to the Carve Out, any and all payments or proceeds remitted to the DIP Agents on behalf of the DIP Lenders, or Prepetition Secured Agents on behalf of the Prepetition Secured Parties pursuant to the provisions of this Interim Order, the

Bankruptcy Rule	Summary of Material Terms[9]
	DIP Documents or any subsequent order of the Court shall be irrevocably received free and clear of any claim, charge, assessment or other liability, including without limitation, any such claim or charge arising out of or based on, directly or indirectly, sections 506(c) or 552(b) of the Bankruptcy Code, whether asserted or assessed by, through or on behalf of the Debtors. *See* Interim Order ¶¶ 15, 16.
Marshaling Provision Local Rule 4001-2(a)(i)(X)	None of the DIP Lenders, the DIP Agents, or the Prepetition Secured Parties shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine, and all proceeds thereof shall be received and used in accordance with this Interim Order. Further, subject only to and effective upon entry of the Final Order granting such relief, in no event shall the "equities of the case" exception in section 552(b) of the Bankruptcy Code apply to the secured claims of the Prepetition Secured Parties. *See* Interim Order ¶ 14.
Release Bankruptcy Rule 4001(c)(1)(B)(viii)	The Debtors and their estates will release, remise, acquit, relinquish, irrevocably waive and discharge each of the DIP Lenders, the DIP Agents, the Prepetition Secured Parties and each of their respective former, current, or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, predecessors and predecessors in interest, each solely in their capacities as such (the "Released Parties"), of and from any and all claims, causes of actions, and liabilities arising out of, relating to, or in connection with any of the (a) the Prepetition Secured Facilities Documents or the transactions contemplated under such documents, and (b) the DIP Documents or the transactions contemplated under such documents, including, without limitation, (i) any so-called "lender liability" or equitable subordination claims or defenses, (ii) any and all claims and causes of action arising under the Bankruptcy Code, (iii) any and all claims and causes of action regarding the validity, priority, perfection, or availability of the liens of the Prepetition Secured Parties (including Avoidance Actions), and (iv) the Creeping ABL Roll-Up, other than claims and causes of action arising from the gross negligence, fraud, bad faith, or willful misconduct of the Released Parties. *See* Interim Order, ¶ 26.
Indemnification Bankruptcy Rule 4001(c)(1)(B)(ix)	The Debtors will indemnify the DIP Lenders, the DIP Agents and their respective Indemnitees, and hold them harmless from and against all reasonable and out-of-pocket expenses, liabilities arising out of or relating to the transactions contemplated in the Interim Order and any actual or proposed use of the proceeds of any loans made under the DIP Term Loan Facility, and the other Indemnified Liabilities in accordance with, and subject to the limitations of the DIP Documents; *provided* that no Indemnified Person will be indemnified for any losses, claims, damages, liabilities, or related expenses to the extent determined by a final, non-appealable judgment of a court of competent jurisdiction to have been incurred solely by reason of the gross negligence or willful misconduct of such Indemnified Parties. *See* Interim Order, ¶ 28.

Explanation for Inclusion of Significant Provisions Pursuant to Local Rule 4001-2(a)(i)

I. The Significant Provisions Are Appropriate and Justified Under the Circumstances of These Chapter 11 Cases.

18. Local Rule 4001-2(a)(i) requires that the Debtors explain the reason for including certain significant provisions described in Local Rules 4001-2(a)(i)(N)–(X) (collectively, the "Significant Provisions").[10] The Debtors believe that each of the Significant Provisions and the Carve Out is justified and necessary in the context and circumstances of these chapter 11 cases.

A. The DIP Roll-Up Obligations Are Appropriate.

19. Local Rule 4001-2(a)(i)(O) requires explicit disclosure of provisions that apply the proceeds of postpetition financing to pay, in whole or in part, prepetition debt or which otherwise has the effect of converting prepetition debt to postpetition debt. *See* Local Rule 4001-2(a)(i)(O). Here, the DIP Roll-Up Obligations consist of three components, each on a cashless, dollar-for-dollar basis: (a) a three-to-one "roll-up" of the Prepetition First Lien Term Loans into DIP Term Loans; (b) upon entry of the Interim Order, a roll-up of 100% of the 2024 Delayed Draw FILO Loans into DIP Obligations; and (c) a "creeping" roll-up of the ABL facility, providing that, (i) upon entry of the Interim Order, $49.2 million of Cash Management Obligations and issued and outstanding letters of credit will be automatically deemed exchanged and issued under the DIP ABL Credit Agreement and shall constitute DIP Obligations, (ii) between entry of the Interim Order and entry of the Final Order, all cash, collections, and proceeds of DIP ABL Priority Collateral will be deemed, on a dollar for dollar basis, to reduce the Prepetition ABL Obligations, and (iii) upon the entry of the Final Order, all remaining outstanding Prepetition ABL Obligations will be deemed exchanged and converted on a cashless basis into and constitute DIP Obligations.

[10] Local Rules 4001-2(a)(i)(N) and 4001-2(a)(i)(P) are not applicable. Local Rules 4001-2(a)(i)(U)–(X) are only applicable upon entry of the Final Order.

20. As discussed in further details below, the DIP Roll-Up Obligations are a key condition for the DIP Term Lenders to provide the DIP Facility. Without agreeing to the DIP Roll-Up Obligations, the Debtors would not have been able to achieve the cross-capital structure support for the DIP Facilities and a smooth transition into these chapter 11 cases. Specifically, the Debtors believe that it is appropriate to grant the full roll-up of the 2024 Delayed Draw FILO Loans upon entry of the Interim Order, because that capital was provided earlier this year with the goal of bridging the Debtors to a strategic transaction, which transaction the Debtors intend to consummate through these chapter 11 cases. Given these circumstances, the DIP Roll-Up Obligations are reasonable, appropriate, a sound exercise of the Debtors' business judgment, and the Debtors request that it should be approved.

B. The Findings of Validity, Perfection, or Amount of Prepetition Liens and Challenge Period Are Appropriate.

21. Local Rule 4001-2(a)(i)(Q) requires explicit disclosure of provisions that bind the estate or other parties in interest with respect to the validity, perfection, or amount of the secured creditor's prepetition lien or the waiver of claims against the secured creditor without first giving parties in interest at least seventy-five (75) days from the entry of the order to investigate such matters. *See* Local Rule 4001-2(a)(i)(Q). Here, the Interim Order complies with this requirement by providing any statutory committee appointed in these chapter 11 cases, and all parties in interest in each case, with requisite standing (to the extent requisite standing is obtained pursuant to an order of this Court entered prior to seventy-five days from the entry of the Interim Order and subject in all respects to any agreement or applicable law that may limit or affect such entity's right or ability to commence such proceeding) to file an adversary proceeding challenging the validity, extent, perfection, or priority of the Prepetition Liens on the Prepetition Collateral, the validity, allowability, priority, or amount of the Prepetition Secured Obligations, or the

Stipulations by the earlier of (i) seventy-five days after the entry of the Interim Order and (ii) the commencement of a hearing to consider confirmation of a chapter 11 plan. *See* Interim Order ¶ 27.

C. The Provisions Immediately Approving All Terms and Conditions of the DIP Credit Agreements Are Appropriate.

22. Local Rule 4001-2(a)(i)(R) requires explicit disclosure of provisions that immediately approve all terms and conditions of the underlying loan agreement. *See* Local Rule 4001-2(a)(i)(R). Here, the Interim Order provides that upon entry, the parties to the DIP Facilities are authorized to enter into their respective obligations and that, upon execution, the DIP Documents shall constitute valid and binding obligations of the Debtors. Moreover, to the extent the DIP Documents conflict with the Interim Order, the Interim Order controls. *See* Interim Order ¶ 33. This provision is necessary and appropriate for the Debtors to access the DIP Facilities and to provide all parties with the assurances that the Debtors' postpetition entry into the DIP Facilities is valid. Without this provision, the Debtors would be unable to access the DIP Facilities or use Cash Collateral on an interim basis.

D. The Provisions Modifying the Automatic Stay, Providing for a Remedies Notice Period, and Providing for a Default Notice Hearing Are Appropriate.

23. Local Rules 4001-2(a)(i)(S) and (T) require explicit disclosure of provisions that modify the automatic stay upon a DIP Termination Event without a remedies notice period of at least five days and provisions that seek to limit what parties in interest may raise at an emergency hearing scheduled during the remedies notice period. *See* Local Rules 4001-2(a)(i)(S) and (T). Here, the Interim Order provides for a five-day remedies notice period for all DIP Termination Events. *See* Interim Order ¶ 23. Upon the delivery of an Enforcement Notice, the Debtors shall be entitled to seek an emergency hearing within the Notice Period to consider (a) whether a DIP Termination Event has occurred and (b) any appropriate relief (including, without limitation, the Debtors' non-consensual use of Cash Collateral); *provided* that if a request for such hearing is

made prior to the end of the Notice Period, then the Notice Period will be continued until the Court hears and rules with respect thereto. During the Notice Period, notwithstanding anything to the contrary in paragraph 24 of the Interim Order, (i) the DIP Secured Parties may not exercise any rights or remedies to satisfy the DIP Obligations, including any rights and remedies against the DIP Collateral, (ii) the Prepetition Secured Parties may not exercise any rights or remedies to satisfy the Prepetition Secured Obligations and the Adequate Protection Obligations, including any rights or remedies against the Prepetition Collateral, and (iii) the Debtors will continue to have the right to use Cash Collateral in accordance with the terms of the Interim Order, solely to pay necessary expenses set forth in the Approved Budget to avoid immediate and irreparable harm to the Debtors' Estates. At the end of the Notice Period, unless the Court has entered an order to the contrary or otherwise fashioned an appropriate remedy, the Debtors' right to use Cash Collateral will immediately cease, unless otherwise provided in the Interim Order, and Prepetition Secured Parties, the DIP Agents and DIP Lenders will have the rights set forth in paragraph 23 of the Interim Order, without the necessity of seeking relief from the automatic stay.

24. In light of the foregoing, the Debtors submit that the Significant Provisions are appropriate under the facts and circumstances of these chapter 11 cases. Accordingly, the Significant Provisions in the Interim Order should be approved.

The Debtors' Prepetition Capital Structure

25. As of the Petition Date, the Debtors had approximately $1.910 billion in total third-party funded debt obligations:

Funded Debt	Maturity	Approximate Principal	Approximate Accrued Interest	Approximate Applicable Premium	Approximate Total Claim Amount
Revolving Credit Facility	October 22, 2026	$708.6 million[11]	$2.3 million	N/A	$710.9 million
FILO Term Loan Facility	October 22, 2026	$100 million	$0.2 million	N/A	$100.2 million
2024 Delayed Draw FILO Loans	October 22, 2026	$75 million	$1.95 million	$15.07 million	$92.02 million
Term Loan Facility	October 22, 2028	$975 million	$31.3 million	N/A	$1,006.3 million
Total Funded Debt Obligations:		***$1,858.6 million***	***$35.75 million***	***$15.07 million***	***$1,909.42 million***

I. The Prepetition ABL Facility.

26. ***Revolving Credit Facility and FILO Term Loans.*** ATD Inc., as administrative borrower, ATD New Holdings III, Inc., a Delaware corporation, each other borrower from time to time party thereto, each lender from time to time party thereto (the "Prepetition ABL Lenders"), each L/C issuer and swing line lender from time to time party thereto and Wells Fargo Bank, National Association, as administrative agent and collateral agent, entered into an asset-based credit agreement, dated as of October 22, 2021, as amended by that certain First Amendment to ABL Credit Agreement, dated as of April 13, 2023, as further amended by that certain Second Amendment to ABL Credit Agreement, dated as of July 16, 2024, and as further amended by the Third Amendment, as further amended, restated, amended and restated, supplemented, or otherwise modified from time to time (the "Prepetition ABL-FILO Credit Agreement").

27. The Prepetition ABL Credit Agreement allows the Debtors to access $659.4 million in revolving credit commitments. In addition, the DIP ABL Credit Agreement includes approximately $100 million outstanding under a first-in, last-out facility (the "Original FILO"). Finally, the Third Amendment created a delayed draw "first in last out" facility as a new tranche

[11] This includes the outstanding letter of credit in the amount of $49.2 million under the Revolving Credit Facility.

under the DIP ABL Credit Agreement by investors representing a majority of the Term Loan Lenders (the "2024 Delayed Draw FILO Facility" and, the lenders thereunder, the "2024 Delayed Draw FILO Lenders" and, the loans thereunder, the "2024 Delayed Draw FILO Loans"; and the 2024 Delayed Draw FILO Facility, the Revolving Credit Commitments, and the Original FILO, collectively, the "Prepetition ABL Facility," and any obligations thereunder, the "Prepetition ABL Obligations").

28. The Prepetition ABL Facility is secured by a first-priority security interest in all accounts and payment intangibles, chattel paper and inventory (the "Prepetition ABL Priority Collateral"). The Prepetition ABL Facility, other than the 2024 Delayed Draw FILO Facility, also has a second-priority security interest in all Prepetition Term Loan Priority Collateral (as defined herein). The 2024 Delayed Draw FILO Liens are *pari* with the liens of the Prepetition Term Loan Secured Parties on the Prepetition Term Loan Priority Collateral.

29. The maturity date for the Prepetition ABL Facility is October 22, 2026. As of the Petition Date, approximately $[907.5] million in aggregate principal amount remained outstanding under the Prepetition ABL Facility.

II. The Prepetition Term Loan Facility.

30. ATD Inc., each lender from time to time party thereto (the "Prepetition Term Loan Lenders") and Bank of America, N.A., as administrative agent and collateral agent, entered into a term loan credit agreement dated as of October 22, 2021 (the "Prepetition Term Loan Facility" and, the loans thereunder, the "Prepetition First Lien Term Loans") (as amended by that certain Amendment No. 1 to Credit Agreement, dated as of March 26, 2023, as further amended by that certain Amendment No. 2 to Credit Agreement, dated as of March 26, 2023 and as further amended by that certain Amendment No. 3 to Term Loan Credit Agreement, dated as of

July 24, 2024, and as further amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "Prepetition Term Loan Agreement").

31. Substantially all assets other than the assets securing the Prepetition ABL Facility serve as collateral for the Prepetition Term Loan Facility, including all equipment, real property, and equity interests of ATD Inc. and the Debtors (the "Prepetition Term Loan Priority Collateral"). In addition, the Prepetition Term Loan Facility is secured by a second-priority security interest in the Prepetition ABL Priority Collateral. The maturity date for the Prepetition Term Loan Facility is October 22, 2028. As of the Petition Date, approximately $975 million in aggregate principal amount remained outstanding under the Prepetition Term Loan Facility.

The DIP Facilities

I. The Debtors' Need for Accessing the DIP Facilities and Use of Cash Collateral.

32. As described in the First Day Declaration, the Murray Declaration, and the Bienias Declaration, the Debtors require immediate access to the DIP Facilities in addition to continued use of Cash Collateral to fund operations, capital expenditures, and the administrative costs of these chapter 11 cases. The Debtors filed these chapter 11 cases with approximately $30 million in cash on hand, which is insufficient liquidity to operate their enterprise and continue paying their obligations as they come due. Bienias Decl. ¶ 12.

33. The proposed DIP Facility will provide stability to the Debtors' business operations and facilitate a smooth entry into these chapter 11 cases. Further, the DIP Facilities will ensure the Debtors' ability to operate as a going concern during these cases, preserving value of the Debtors' estates for the benefit of their stakeholders.

34. Absent the ability to access the funds available under the DIP Facility and Cash Collateral, the Debtors would likely face a value-destructive and immediate interruption to their operations and lose support from key stakeholders on which the Debtors' business depends,

including vendors, suppliers, and employees. Bienias Decl. ¶ 12, 15. These interruptions, in turn, would hinder the Debtors' ability to maximize the value of their estates, as the Debtors would be forced to curtail their operations significantly, to the detriment of all stakeholders. *Id.*

II. Alternative Sources of Financing Are Not Available on Better Terms.

35. Following the headwinds the Debtors have experienced in recent years, the Debtors faced a liquidity crisis. The Debtors, with the assistance of their advisors, immediately pivoted to evaluating potential financing alternatives at its disposal. *See* Murray Decl. ¶¶ 9–10. Due to the Debtors' inability to secure senior financing without near-unanimity across their capital structure (which was not forthcoming), no material unencumbered collateral, and the Company's inability to continue making payments, including to its key vendors, without defaulting under the Prepetition ABL Facility, there were no financing alternatives that could provide new money on an expedited timeline while also providing security to potential new money lenders. Accordingly, the Debtors engaged in negotiations with the Ad Hoc Group and the Prepetition ABL Lenders to (i) provide near-term DIP financing and (ii) engage with the Debtors' other lenders to build greater consensus for a restructuring. *Id.* ¶ 15.

36. In the weeks leading up to the Petition Date, the Company engaged in arm's-length, hard fought negotiations with the DIP Lenders regarding the terms of the DIP Facility. *Id.* ¶ 12, 15.

37. In the weeks preceding the Petition Date, the Debtors, with the assistance of Moelis, also contacted several third-party financial institutions regarding providing postpetition financing to the Debtors. *Id.* ¶ 11–12, 15. The Debtors received no third-party financing proposals. In consultation with their advisors, the Debtors determined that pursuing and negotiating the DIP Facility provided by the DIP Lenders represented the only viable path to obtaining critical funding. The DIP Facility contains reasonable and appropriate terms and provisions under these

extraordinary circumstances and is the Debtors' best—and only—available option for postpetition funding.

III. The DIP Facility is Necessary to Preserve the Value of the Debtors' Estates.

Absent the liquidity infusion to be provided by the DIP Facility, the Debtors may be forced to curtail their operations significantly. Bienias Decl. ¶ 12. Even if the Debtors had the ability to access Cash Collateral, cash on hand and expected inflows would likely not be sufficient to fund the Debtors' operations as a going concern in the near term and during these cases. Without a new source of postpetition liquidity, the Debtors' businesses may be irreparably harmed. *Id.* Consequently, the DIP Facility is necessary to preserve the Debtors' operations and maximize the value of the Debtors' estates.

Basis for Relief

I. The Debtors Should Be Authorized to Obtain Postpetition Financing Through the DIP Documents.

A. Entry into the DIP Documents Is an Exercise of the Debtors' Sound Business Judgment.

38. The Court should authorize the Debtors, as an exercise of their sound business judgment, to enter into the DIP Documents, obtain access to the DIP Facilities, and continue using the Cash Collateral. Section 364 of the Bankruptcy Code authorizes a debtor to obtain secured or superpriority financing under certain circumstances discussed in detail below. Courts grant a debtor considerable deference in acting in accordance with its business judgment in obtaining postpetition secured credit, so long as the agreement to obtain such credit does not run afoul of the provisions of, and policies underlying, the Bankruptcy Code. *See, e.g.*, *In re L.A. Dodgers LLC*, 457 B.R. 308, 313 (Bankr. D. Del. 2011) ("[C]ourts will almost always defer to the business judgment of a debtor in the selection of the lender."); *In re Trans World Airlines, Inc.*, 163 B.R. 964, 974 (Bankr. D. Del. 1994) (approving a postpetition loan and receivables facility because

such facility "reflect[ed] sound and prudent business judgment"); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) ("[C]ases consistently reflect that the court's discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit a party in interest.").

39. Specifically, to determine whether a debtor has met this business judgment standard, a court need only "examine whether a reasonable businessperson would make a similar decision under similar circumstances." *In re Exide Techs.*, 340 B.R. 222, 239 (Bankr. D. Del. 2006); *see also In re Curlew Valley Assocs.*, 14 B.R. 506, 513–14 (Bankr. D. Utah 1981) (noting that courts should not second guess a debtor's business decision when that decision involves "a business judgment made in good faith, upon a reasonable basis, and within the scope of [the debtor's] authority under the [Bankruptcy] Code").

40. Further, in considering whether the terms of postpetition financing are fair and reasonable, courts consider the terms in light of the relative circumstances of both the debtor and the potential lender. *See In re Farmland Indus., Inc.*, 294 B.R. 855, 886 (Bankr. W.D. Mo. 2003); *see also Unsecured Creditors' Comm. Mobil Oil Corp. v. First Nat'l Bank & Trust Co. (In re Elingsen McLean Oil Co., Inc.)*, 65 B.R. 358, 365 n.7 (W.D. Mich. 1986) (recognizing a debtor may have to enter into "hard bargains" to acquire funds for its reorganization).

41. The Debtors' determination to move forward with the DIP Facilities is a sound exercise of their business judgment following an arm's-length process and careful evaluation of available alternatives (or lack thereof). The Debtors require an immediate capital infusion in the form the DIP Facilities and access to Cash Collateral to operate their business postpetition, finance

working capital and payroll, maintain favorable relations with vendors, suppliers, customers, sureties, and other contract counterparties, fund these chapter 11 cases, and preserve the Debtors' assets during the pendency of these cases. *See* Bienias Decl. ¶ 12. Accordingly, the Debtors' access to the proposed DIP Facilities will enable the Debtors to stabilize their cash flows, continue operating in the ordinary course, and preserve going-concern value throughout the chapter 11 process. *Id.* ¶ 16. In particular, the Debtors believe that the Approved Budget will be adequate, considering all available assets, to pay all administrative expenses due or accruing during the period covered by the Approved Budget. *Id.* ¶ 14. Absent an expedient and fully funded chapter 11 cases, the Debtors will face a heightened business disruption that would significantly damage their business operations and going-concern value and materially impair creditors' recoveries. *Id.* ¶ 12–15.

42. For these reasons, the Debtors, in consultation with their advisors, determined that the DIP Lenders' financing proposal represents the only viable postpetition financing option available to the Debtors. *See* Murray Decl. ¶ 19. The DIP Facilities provide the Debtors with market-tested postpetition financing on the best available terms and are necessary for the Debtors to continue operating their business. *Id.* ¶ 2. Accordingly, the Court should authorize the Debtors to enter into the DIP Documents.

B. The Debtors Should Be Authorized to Grant Liens and Superpriority Claims.

43. The Debtors propose to obtain financing under the DIP Facilities by providing security interests and liens as set forth in the DIP Documents pursuant to section 364(c) and 364(d) of the Bankruptcy Code. More specifically, the Debtors propose to provide to the DIP Secured Parties, subject to the Carve Out, continuing, valid, binding, enforceable, non-avoidable, and automatically and properly perfected postpetition security interests in and liens on the DIP

Collateral, which include substantially all of the Debtors' assets, and, specifically, (a) a priming security interest in and lien on the Prepetition Collateral to the extent such Prepetition Collateral is subject to prepetition liens that secure the prepetition secured obligations of the Prepetition Secured Parties, (b) a junior security interest in and lien on the DIP Collateral to the extent such DIP Collateral is subject to the Permitted Liens, and (c) a first priority senior security interest in and lien on all property of the Debtors that is not subject to a valid, perfected and non-avoidable lien, subject to and as further provided for in the DIP Documents and the Interim Order.

44. The statutory requirement for obtaining postpetition credit under section 364(c) of the Bankruptcy Code is a finding, made after notice and hearing, that a debtor is "unable to obtain unsecured credit allowable under section 503(b)(1) of [the Bankruptcy Code]." 11 U.S.C. § 364(c); *see also In re Crouse Grp., Inc*., 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987) (secured credit under section 364(c) of the Bankruptcy Code is authorized, after notice and hearing, upon showing that unsecured credit cannot be obtained). Courts have articulated a three-part test to determine whether a debtor is entitled to financing under section 364(c) of the Bankruptcy Code. Specifically, courts look to whether:

a. the debtor is unable to obtain unsecured credit under section 364(b) of the Bankruptcy Code—*i.e.*, by allowing a lender only an administrative claim;

b. the credit transaction is necessary to preserve the assets of the estate; and

c. the terms of the transaction are fair, reasonable, and adequate, given the circumstances of the debtor-borrower and proposed lenders.

In re Crouse Grp., Inc., 71 B.R. 544, 549 (Bankr. E.D. Pa. 1987); *see also L.A. Dodgers LLC*, 457 B.R. at 312–13 (Bankr. D. Del. 2011); *Ames Dep't Stores*, 115 B.R. at 37–40 (Bankr. S.D.N.Y. 1990); *In re St. Mary Hosp*., 86 B.R. 393, 401 (Bankr. E.D. Pa. 1988).

45. As described above, the Debtors are unable to obtain unsecured credit. Murray Decl. ¶¶ 14, 18. Absent the DIP Facilities, which will provide sufficient liquidity to administer

these chapter 11 cases, the value of the Debtors' estates would be significantly impaired to the detriment of all stakeholders. Given the Debtors' circumstances, the Debtors believe that the terms of the DIP Facilities as set forth in the DIP Documents are fair, reasonable, and represent the best terms available to the Debtors to obtain DIP financing. For all these reasons, the Debtors have met the standard for obtaining postpetition financing under section 364(c) of the Bankruptcy Code.

46. Further, section 364(d) of the Bankruptcy Code provides that a debtor may obtain credit secured by a senior or equal lien on property of the estate already subject to a lien, after notice and a hearing, where the debtor is "unable to obtain such credit otherwise" and "there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted." 11 U.S.C. § 364(d)(1). As described above, the Debtors are not able to get credit on account of any unencumbered assets or on a junior secured basis. Murray Decl. ¶¶ 11–12. Accordingly, the Debtors may incur "priming" liens under the DIP Facilities if either (a) the requisite number under the applicable of Prepetition Secured Parties have consented to being "primed" or (b) the Prepetition Secured Parties' interests in collateral are adequately protected.

47. Here, the DIP Lenders, who represent 100 percent of Prepetition ABL Lenders and 90 percent of the Prepetition Term Loan Lenders, affirmatively consented to, and actively participated in providing, the proposed DIP Facilities. *See Anchor Savs. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 122 (N.D. Ga. 1989) ("[B]y tacitly consenting to the superpriority lien, those [undersecured] creditors relieved the debtor of having to demonstrate that they were adequately protected."). Moreover, as more fully discussed herein and set forth in the Interim Order, the Debtors propose to provide an adequate protection package to protect the interests of the Prepetition Secured Parties whose security interest in and liens on the Prepetition Collateral are

being primed. Therefore, the relief requested pursuant to section 364(d)(1) of the Bankruptcy Code is appropriate.

C. No Comparable Alternative to the DIP Facilities Is Reasonably Available.

48. A debtor need only demonstrate "by a good faith effort that credit was not available without" the protections afforded to potential lenders by sections 364(c) of the Bankruptcy Code. *In re Snowshoe Co., Inc.*, 789 F.2d 1085, 1088 (4th Cir. 1986); *see also In re Reading Tube Indus.*, 72 B.R. 329, 332 (Bankr. E.D. Pa 1987). Moreover, in circumstances where only a few lenders likely can or will extend the necessary credit to a debtor, "it would be unrealistic and unnecessary to require [the debtor] to conduct such an exhaustive search for financing." *In re Sky Valley, Inc.*, 100 B.R. 107, 113 (Bankr. N.D. Ga. 1988), *aff'd sub nom. Anchor Sav. Bank FSB v. Sky Valley, Inc.*, 99 B.R. 117, 120 n.4 (N.D. Ga. 1989); *see also In re Snowshoe Co.*, 789 F.2d 1085, 1088 (4th Cir. 1986) (demonstrating that credit was unavailable absent the senior lien by establishment of unsuccessful contact with other financial institutions in the geographic area); *In re Stanley Hotel, Inc.*, 15 B.R. 660, 663 (D. Colo. 1981) (holding that the bankruptcy court's finding that two national banks refused to grant unsecured loans was sufficient to support conclusion that the section 364 requirement was met); *Ames Dep't Stores*, 115 B.R. at 37–39 (finding that the debtor must show that it made reasonable efforts to seek other sources of financing under section 364(a) and (b) of the Bankruptcy Code).

49. As discussed above, the Debtors, with the assistance of their advisors, ran a marketing process to gauge third-party lenders' interest in providing DIP financing. *See* Murray Decl. ¶ 13–16. To avoid an expensive priming fight in connection with an alternative postpetition financing facility, the Debtors would either need to (a) obtain the Prepetition Secured Parties' consent to an alternative financing priming their liens or (b) identify a third-party lender willing to provide postpetition financing on a junior basis. *Id.* ¶ 12. Of the eight potential third-party lenders

that Moelis contacted to solicit proposals for DIP financing, only three parties executed a nondisclosure agreement and received access to additional diligence information, and none were willing to provide DIP financing on a junior or unsecured basis. *Id.* ¶ 11. In my experience, any attempt to prime the Prepetition Secured Parties, would likely result in expensive and distracting litigation and valuation dispute at the very outset of these chapter 11 cases, which would interfere with the Debtors' orderly reorganization of their business. *Id.* ¶ 12. Further, the Debtors do not believe they have sufficient unencumbered assets to secure adequate DIP financing to fund a non-consensual chapter 11 case. *Id.* ¶ 12. Accordingly, the Debtors believe that the proposed DIP Facilities represent the best and only available financing option available under the circumstances. *Id.* ¶ 2. Accordingly, the requirement of section 364 of the Bankruptcy Code that alternative credit on more favorable terms be unavailable to the Debtors is satisfied.

D. The Debtors Should Be Authorized to Use Cash Collateral.

50. Section 363 of the Bankruptcy Code governs the Debtors' use of property of their estates, including Cash Collateral. Pursuant to section 363(c)(2) of the Bankruptcy Code, a debtor may use cash collateral as long as "(A) each entity that has an interest in such cash collateral consents; or (B) the court, after notice and a hearing, authorizes such use, sale, or lease in accordance with the provisions of this section." 11 U.S.C. § 363(c)(2). Here, the DIP Lenders and the Prepetition Secured Parties consent or are deemed to consent to the Debtors' use of the Cash Collateral, subject to the terms and limitations set forth in the Interim Order. As described in the Bienias Declaration, access to Cash Collateral on an interim basis is essential to the continued operation of the Debtors' business and smooth entry into these chapter 11 cases. *See* Bienias Decl. ¶ 10. Accordingly, use of the Cash Collateral is in the best interests of the Debtors' estates and all of their stakeholders, including the Prepetition Secured Parties, and should be approved.

E. Adequate Protection Provided to the Prepetition Secured Parties Is Appropriate.

51. Section 363(e) of the Bankruptcy Code provides for adequate protection of interests in property when a debtor uses cash collateral. *See* 11 U.S.C. § 363(e). Section 364(d)(1) of the Bankruptcy Code also provides adequate protection for the secured creditors whose interest in properties are primed in connection with the debtors' obtaining of postpetition financing. *See* 11 U.S.C. § 364(d)(1)(B). Further, section 362(d)(1) of the Bankruptcy Code provides that the automatic stay may be lifted for cause, including the lack of adequate protection for a party's interests in property due to the imposition of the automatic stay. *See* 11 U.S.C. § 362(d)(1). While section 361 of the Bankruptcy Code provides examples of forms of adequate protection, such as granting replacement liens and administrative claims, courts decide what constitutes sufficient adequate protection on a case-by-case basis. *See, e.g.*, *In re Swedeland Dev. Grp., Inc*., 16 F.3d 552, 564 (3d Cir. 1994) (explaining that the "determination of whether there is adequate protection is made on a case by case basis"); *In re Satcon Tech. Corp*., No. 12-12869 (KG), 2012 WL 6091160, at *6 (Bankr. D. Del. Dec. 7, 2012) (same); *In re N.J. Affordable Homes Corp*., 2006 WL 2128624, at *14 (Bankr. D.N.J. June 29, 2006) (holding that "the circumstances of the case will dictate the necessary relief to be given"); *In re Columbia Gas Sys., Inc*., 1992 WL 79323, at *2 (Bankr. D. Del. Feb. 18, 1992) (holding that "what interest is entitled to adequate protection and what constitutes adequate protection must be decided on a case-by-case basis"); *see also In re Dynaco Corp.*, 162 B.R. 389, 394 (Bankr. D.N.H. 1993) (citing 2 Collier on Bankruptcy ¶ 361.01[1] at 361–66 (15th ed. 1993) (explaining that adequate protection can take many forms and "must be determined based upon equitable considerations arising from the particular facts of each proceeding")).

52. As set forth in the Interim Order, the Debtors propose to provide the Prepetition Secured Parties with certain forms of adequate protection to protect against the Diminution in Value, if any, of their interests in the Prepetition Collateral, including the Cash Collateral, resulting from the Debtors' use, sale, or lease of the Prepetition Collateral, priming of their security interests and liens by the liens securing the DIP Facilities, and the imposition of the automatic stay:

a. replacement liens on DIP Collateral in favor of the Prepetition Secured Parties subject and subordinate to the Carve Out, Permitted Liens (if any), with relative priority as set forth in Exhibit 2 attached to the Interim Order;

b. superpriority administrative expense claims to the extent provided by section 507(b) of the Bankruptcy Code in favor of the Prepetition Secured Parties in the amount of their respective Diminution in Value (i) subject and subordinate to the Carve Out with relative priority consistent with the relative priority of the replacement liens as set forth in Exhibit 2 attached to the Interim Order;

c. certain reports and notices on the operation of the Debtors, including monthly reports on the aging of the Debtors' accounts receivable and accounts payable, inventory, vendor payments, and preliminary profit and loss;

d. subject and subordinate to the Carve Out, payment of cash interest covering any outstanding Prepetition ABL Obligations (at the applicable default rate) as they become due;

e. the Prepetition Term Loan Secured Parties and the Prepetition ABL Secured Parties shall be entitled to delivery of all reports and notices deliverable to the DIP Secured Parties pursuant to the DIP Documents;

f. payment of all reasonable and documented professional fees and expenses for certain advisors to the DIP Term Lenders and the DIP ABL Agent;

g. subject to entry of the Final Order granting such relief, the waiver of (x) the Debtors' and the Estates' ability to surcharge the DIP Collateral pursuant to Bankruptcy Code section 506(c) with respect to the DIP Secured Parties and (y) the doctrine of "marshaling" and any other similar equitable doctrine with respect to the DIP Collateral, and (ii) subject to and upon entry of a Final Order granting such relief, the waiver of (x) the Debtors' and the Estates' ability to surcharge against the Prepetition Collateral (as defined herein) pursuant to Bankruptcy Code section 506(c) with respect to the Prepetition Secured Parties, effective as of the Petition Date, (y) the applicability of the "equities of the case" exception under Bankruptcy Code

section 552(b) with respect to the proceeds, products, offspring or profits of the Prepetition Collateral, and (z) the doctrine of "marshaling" and any other similar equitable doctrine with respect to any of the Prepetition Collateral; and

h. cash payments covering any outstanding Prepetition ABL Obligations after the entry of this Interim Order, including interest equal to the applicable interest rate under the DIP ABL Credit Agreement with respect to DIP ABL Obligations to the extent such Prepetition ABL Obligations have not yet been exchanged or converted into DIP ABL Roll-Up Obligations.

53. The proposed Adequate Protection Obligations are appropriate and are sufficient to protect the Prepetition Secured Parties from any potential Diminution in Value to the Cash Collateral. The Debtors' provision of the Adequate Protection Obligations is fair and appropriate under the circumstances of these chapter 11 cases to ensure the Debtors are able to continue using the Cash Collateral, subject to the terms and limitations set forth in the Interim Order, for the benefit of all parties in interest and their estates.

F. The DIP Roll-Up Obligations Are Appropriate.

54. Section 363(b) of the Bankruptcy Code permits a debtor to use, sell, or lease property, other than in the ordinary course of business, with court approval. It is well settled in the Third Circuit that such transactions should be approved when they are supported by a sound business purpose. *See In re Abbots Dairies, Inc*., 788 F.2d 143 (3d Cir. 1986) (holding that in the Third Circuit, a debtor's use of assets outside the ordinary course of business under section 363(b) of the Bankruptcy Code should be approved if the debtor can demonstrate a sound business justification for the proposed transaction). The business judgment rule shields a debtor's management from judicial second-guessing. *In re Johns-Manville Corp*., 60 B.R. 612, 615–16

(Bankr. S.D.N.Y. 1986) ("[T]he [Bankruptcy] Code favors the continued operation of a business by a debtor and a presumption of reasonableness attaches to a debtor's management decisions.").

55. Repayment of prepetition debt with roll-up is a common feature in debtor-in-possession financing arrangements. The importance of a roll-up feature in DIP facilities has been repeatedly recognized by courts in this district and others, and such courts have granted relief similar to the relief requested herein. *See, e.g.*, *In re Vyaire Med., Inc.*, No. 24-11217 (BLS) (Bankr. D. Del. June 10, 2024) (authorizing a $180 million DIP facility, including a $135 million roll-up (3:1 roll-up)); *In re Thrasio Holdings, Inc.*, No. 24-11840 (CMG) (Bankr. D.N.J. April 4, 2024) (authorizing a $270 million DIP facility, including a $90 million roll-up of the prepetition debt obligations (3:1 roll-up)); *In re Sientra, Inc*., No. 24-10245 (JTD) (Bankr. D. Del. Mar. 11, 2024) (authorizing a $90 million DIP facility, including a $67 million roll-up of the prepetition debt obligations (2.9:1 roll-up)); *In re Yellow Corp.*, No. 23-11069 (CTG) (Bankr. D. Del. Sept. 15, 2023) (authorizing an approximately $644 million DIP facility, including a $501 million roll-up of the prepetition debt obligations (approximately 3.5:1 roll-up)); *In re Bed Bath & Beyond Inc.*, No. 23-13359 (VFP) (D.N.J. June 14, 2023) (authorizing an approximately $240 million DIP facility, including a $200 million roll-up of prepetition debt obligations (5:1 roll-up)).[12]

56. Here, the proposed DIP Roll-Up Obligations are an exercise of the Debtors' sound business judgment. As set forth above, the DIP Term Loan Term Sheet provides that, upon entry of the Interim Order, $375 million of the Debtors' Prepetition Term Loan Debt will "roll up" with the DIP Facility upon entry of the Interim Order, with an additional $375 million of the Debtors' Prepetition Term Loan Debt rolled up upon entry of the Final Order. Additionally, upon entry of

[12] Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

the Final Order, 100% of the Debtors' 2024 Delayed Draw FILO Loans will "roll up" with the DIP Facility. Finally, the DIP ABL Credit Agreement provides that the DIP ABL Facility will (a) roll up partially upon entry of the Interim Order, (b) continue to roll up on a "creeping" basis prior to the entry of the Final Order, and (c) completely roll up upon entry of the Final Order. The roll-ups flow from the rights and priorities that the applicable DIP Lenders enjoyed on a prepetition basis. Prior to the Petition Date, and as set forth on Exhibit 1 to the Interim Order, (1) the liens and security interests granted to the Prepetition Term Loan Secured Parties (the "Prepetition Term Loan Liens") were first priority liens on the Prepetition Term Loan Priority Collateral (as defined in the Prepetition ABL/Term Loan Intercreditor Agreement) and second priority liens the ABL Priority Collateral, (2) the liens and security interests granted to the Prepetition ABL Secured Parties (the "Prepetition ABL Liens") were first priority liens on the ABL Priority Collateral and second priority liens the Prepetition Term Loan Priority Collateral, and (3) the liens and security interests granted to the Prepetition ABL Secured Parties (the "2024 Delayed Draw FILO Liens") were first priority liens on both the ABL Priority Collateral and the Prepetition Term Loan Priority Collateral, which priority was granted to the 2024 Delayed Draw FILO Liens as key consideration for the 2024 Delayed Draw FILO Lenders' (as defined herein) willingness to lend to the Debtors earlier this year.

57. The Debtors submit that the DIP Roll-Up Obligations are reasonable under the circumstances of these chapter 11 cases. This repayment is a sound exercise of the Debtors' business judgment and is a material component of the structure of the DIP Facilities. Without continued access to the additional liquidity provided under the DIP Facilities, the Debtors will be unable to fund the administration of these chapter 11 cases. Moreover, the Prepetition ABL Lenders are likely oversecured, repaying creditors that stand to receive payment in full with

postpetition loans will not harm the Debtors' estates and other creditors. Rather, the proposed ABL roll-up feature merely affects the timing, not the amount, of the Prepetition ABL Lenders' recovery. Additionally, the DIP ABL Documents provides for the Creeping ABL Roll-Up to refinance the Prepetition ABL Facility, whereby all cash, collections and proceeds of the DIP ABL Priority Collateral will be deemed to reduce the Revolving Obligations. The Creeping Roll-Up will have the effect of preserving the prepetition lien priorities as between the Prepetition ABL Lenders and the DIP ABL Lenders. The Roll-Ups are a material component of the structure of the DIP Facilities and was required by the DIP ABL Lenders as a condition to their commitment to provide an increase in revolving commitments. Additionally, the Debtors believe that it is appropriate to grant the full roll-up of the 2024 Delayed Draw FILO Loans upon entry of the interim order, because that capital was provided earlier this year with the goal of bridging the Debtors to a strategic transaction, which transaction the Debtors intend to consummate through these chapter 11 cases.

58. Without access to the New Money DIP Loans, an asset-based lending facility, and the consensual and immediate access to Cash Collateral, the Debtors' ability to maintain ordinary course business operation during these chapter 11 cases and to consummate the restructure transaction will be in jeopardy. *See* Murray Decl. ¶ 23. Finally, the Debtors' ability to obtain the DIP ABL Facility is an important consideration for the DIP Term Lenders in providing the DIP Term Loan Facility. Given these circumstances, the DIP Roll-Up Obligations are reasonable, appropriate, a sound exercise of the Debtors' business judgment, and should be approved.

II. The Debtors Should Be Authorized to Pay the Interest and Fees Required by the DIP Agents and the DIP Lenders under the DIP Documents.

59. Under the DIP Documents, the Debtors have agreed, subject to Court approval, to pay certain interest and fees to the DIP Agents and the DIP Lenders. These interest and fees are summarized below:

a. **DIP ABL Facility:**

v. *Interest Rate.* The DIP ABL Facility shall bear interest consistent with the default rate defined in the DIP ABL Credit Agreement.

vi. *Structuring Fee.* The Debtors shall pay $900,000 to the ABL DIP Agent, as and when due and payable under the terms of the Ratification and Amendment Agreement, as consideration for providing the ABL DIP Facility.

b. **DIP Term Loan Facility:**

i. *Interest Rates.* At the option of the Borrower, New Money DIP Term Loans will bear interest at a rate *per annum* equal to (a) Term SOFR (as defined in the Term Loan Credit Agreement, *provided* that if Term SOFR as so determined shall be less than 3.00 percent *per annum*, then Term SOFR shall be deemed to be 3.00 percent *per annum*) plus 9.50 percent or (b) Base Rate plus 8.50 percent *per annum*; *provided*, that the Borrower shall pay a portion of interest rate equal to Term SOFR plus 1.50 percent *per annum* or Base Rate plus 0.50 percent *per annum*, as applicable, in cash and the remaining 8.00 percent of such interest rate in-kind by adding such interest rate margin to the aggregate outstanding principal balance of the New Money DIP Term Loans. The 2024 FILO Roll-Up DIP Loans and the Term Loan Roll-Up DIP Loans shall bear interest at the *per annum* non-default rate as set forth in the ABL Credit Agreement and the First Lien Credit Agreement, respectively, in each case payable monthly in arrears and such interest shall be payable in kind.

ii. *Upfront Premium.* 5.00 percent of the aggregate New Money DIP Term Loan Commitments; to be paid in kind as an original issue discount (such original issue discount to be 7.00 percent) or added to the principal amount of funded New Money DIP Term Loans on the Closing Date.

iii. *Exit Premium*. 6.00 percent; earned upon any repayment or prepayment of the New Money DIP Term Loans or termination of

any or part of the New Money DIP Term Loan Commitments in accordance with the terms of the DIP Term Loan Facility and payable in cash upon such repayment, prepayment or termination, as applicable, including the repayment in full in cash or any other discharge of the New Money DIP Term Loans; *provided, however*, that to the extent the New Money DIP Term Loans are discharged as a result of the DIP Term Loan Agent exercising its credit bid rights for the full amount of the New Money DIP Term Loans as provided herein, such Exit Premium shall be satisfied by the credit bidding entity.

iv. *Default Rate.* 2.00 percent *per annum* at all times automatically following the occurrence and during the continuation of an Event of Default.

60. Courts in this district and others have approved similar aggregates in fees in large chapter 11 cases. *See, e.g.*, *In re Wheel Pros, Inc.*, No. 24-11939 (JTD) (Bankr. D. Del. Oct. 15, 2024) (approving a closing fee of 3 percent, an exit fee of 5 percent, and a letter of credit fee of 4.25 percent); *In re Vyaire Med., Inc.* No. 24-11217 (BLS) (Bankr. D. Del. Jun. 10, 2024) (approving a commitment fee of 2 percent of the new money DIP loan, a backstop fee of 5 percent, and an exit fee of 1.25 percent); *In re Strike, LLC*, No. 21-90054 (DRJ) (Bankr. S.D. Tex. Jan. 4, 2022) (approving a commitment fee of 7.5 percent and a termination fee of 3 percent of the DIP loans); *In re APC Auto. Techs. Intermediate Holdings, LLC*, No. 20-11466 (CSS) (Bankr. D. Del. June 23, 2020) (approving a closing fee of 5 percent of the new money DIP loans and a commitment fee of 35 percent of the equity of the reorganized debtors or approximately 11.5 percent of the new money DIP loans if the DIP facility was terminated other than under the plan effective date); *In re PES Holdings, LLC*, No. 19-11626 (KG) (Bankr. D. Del. Nov. 14, 2019) (approving a DIP funding fee of 8 percent of DIP loans and an undrawn fee of 3 percent of any undrawn outstanding commitments).[13]

[13] Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

61. As set forth in the Murray Declaration, the Debtors believe that the interest and fees to be paid under the DIP Facilities are necessary and reasonable under the circumstances of these chapter 11 cases, and are the result of arm's-length and good-faith negotiations between the Debtors and the DIP Secured Parties. *See* Murray Decl. ¶ 2. The Debtors considered the fees described above when determining in their business judgment that the DIP Facilities constituted the best terms on which the Debtors could obtain postpetition financing necessary to continue their operations, prosecute their cases, and benefit the Debtors' estates. Accordingly, the Court should authorize the Debtors to pay the interest and fees provided under the DIP Documents in connection with the DIP Facilities.

III. The DIP Agents and the DIP Lenders Should Be Afforded Good-Faith Protection under Section 364(e) of the Bankruptcy Code.

62. Section 364(e) of the Bankruptcy Code protects a good-faith lender's right to collect on loans extended to a debtor, and its right in any lien securing those loans, even if the authority of the debtor to obtain such loans or grant such liens is later reversed or modified on appeal. Section 364(e) of the Bankruptcy Code provides that:

> The reversal or modification on appeal of an authorization under this section [364 of the Bankruptcy Code] to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal.

63. As explained herein and in the Murray Declaration, the DIP Facilities are the result of (a) the Debtors' reasonable and informed determination that no alternative sources of postpetition financing are readily available to the Debtors (whether unsecured or secured) on terms better than the DIP Facilities, and (b) good-faith, arm's-length negotiations between the Debtors and the DIP Secured Parties. *See* Murray Decl. ¶ 2. The terms and conditions of the DIP Facilities

are necessary and appropriate under the circumstances, and the proceeds of the DIP Facilities will be used only for purposes that are permissible under the Bankruptcy Code. Further, upon realizing there was a lack of interest from third-party lenders to provide postpetition financing through a DIP marketing process, the Debtors and their advisors determined that the DIP Facilities, supported by a majority of the Prepetition Secured Parties, represent the best and the only available financing option. *Id.* at ¶ 2, 13–15. Accordingly, the Court should find that the obligations arising under the DIP Facilities and other financial accommodations made to the Debtors have been extended by the DIP Agents and the DIP Lenders in "good faith" within the meaning of section 364(e) of the Bankruptcy Code and therefore the DIP Secured Parties are entitled to all of the protections afforded thereby.

IV. Failure to Obtain Immediate Interim Access to the DIP Facilities and Cash Collateral Would Cause Immediate and Irreparable Harm.

64. Bankruptcy Rules 4001(b) and 4001(c) provide that a final hearing on a motion to use cash collateral and to obtain credit pursuant to sections 363 and 364 of the Bankruptcy Code may not be commenced earlier than fourteen days after the service of such motion. Upon request, however, the Court may conduct a preliminary, expedited hearing on the motion and authorize the use of cash collateral and the obtaining of credit to the extent necessary to avoid immediate and irreparable harm to a debtor's estate. *See* Bankruptcy Rule 4001(b)(2), 4001(c)(2). Section 363(c)(3) of the Bankruptcy Code authorizes the court to conduct a preliminary hearing and to authorize the use of cash collateral "if there is a reasonable likelihood that the [debtor] will prevail at the final hearing under [section 363(e) of the Bankruptcy Code]." 11 U.S.C. § 363(c)(3).

65. For the reasons discussed above and in the Bienias Declaration, the Debtors have an immediate need for the liquidity provided by the DIP Facilities and the use of Cash Collateral. *See* Bienias Decl. ¶ 12. The proposed DIP Facilities are critical to the Debtors' ability to fund their

operations while providing sufficient liquidity at the outset of these chapter 11 cases. *Id.* ¶ 14. In addition, the Debtors believe that substantially all of their available cash constitutes the Prepetition Secured Parties' Cash Collateral. Access to the proceeds of the DIP Facilities and Cash Collateral are essential to the Debtors' orderly operation of their business, maintaining business relationships with their vendors and suppliers, paying wages and benefits, and satisfying other essential working capital needs, all of which are required to preserve and maintain the Debtors' going concern value for the benefit of all parties in interest. Without such access, the Debtors would be unable to maintain their business during these chapter 11 cases and would suffer immediate and irreparable harm to the detriment of all creditors and other parties in interest, including the Prepetition Secured Parties. *Id.* ¶ 10–16.

66. Accordingly, pursuant to section 363(c)(3) of the Bankruptcy Code and Bankruptcy Rules 4001(b) and 4001(c), the Debtors request that the Court hold and conduct a hearing to consider entry of the Interim Order authorizing the Debtors, from and after entry of the Interim Order until the Final Hearing, to receive initial funding under the DIP Facilities and to use Cash Collateral. This relief will enable the Debtors to preserve and maximize value and, therefore, avoid immediate and irreparable harm and prejudice to their estates and all parties in interest, pending the Final Hearing.

V. The Automatic Stay Should Be Modified on a Limited Basis.

67. The proposed Interim Order provides that the automatic stay provisions of section 362 of the Bankruptcy Code will be modified to the extent necessary to permit the DIP Agents and the Prepetition Secured Parties to file financing statements, trademark filings, copyright filings, notices of lien or similar instruments in any jurisdiction, or take possession of or control over cash or securities, or take any other action in order to validate and perfect the liens and security interests granted to them in the Interim Order.

68. Stay modifications of this kind are ordinary and standard features of debtor-in-possession financing arrangements, and, in the Debtors' business judgment, are reasonable and fair under the circumstances of these chapter 11 cases. *See, e.g.*, *In re Wheel Pros, Inc.*, No. 24-11939 (JTD) (Bankr. D. Del. Oct. 15, 2024) (modifying automatic stay as necessary to effectuate the terms of the order); *In re Vyaire Med., Inc.* No. 24-11217 (BLS) (Bankr. D. Del. Jun. 10, 2024) (same); *In re Express, Inc.*, No. 24-10831 (KBO) (Bankr. D. Del. April 24, 2024) (same); *In re Sientra, Inc.*, No. 24-10245 (JTD) (Bankr. D. Del. Feb. 14, 2024) (same); *In re PGX Holdings, Inc.*, No. 23-10718 (CTG) (Bankr. D. Del. Jun. 6, 2023) (same).[14]

Request for Final Hearing

69. Pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), the Debtors request that the Court set a date for the Final Hearing that is as soon as practicable, and fix the time and date prior to the Final Hearing for parties to file objections to this motion.

Notice

70. The Debtors will provide notice of this motion to the following parties or their respective counsel: (a) the United States Trustee; (b) the holders of the thirty largest unsecured claims against the Debtors (on a consolidated basis); (c) the office of the attorney general for each of the states in which the Debtors operate; (d) the United States Attorney's Office for the District of Delaware; (e) the Internal Revenue Service; (f) the DIP Term Loan Agent; (g) the DIP ABL Agent; (h) the DIP Term Lenders; (i) the DIP ABL Lenders; (j) the Prepetition Secured Parties; and (k) any party that has requested notice pursuant to Bankruptcy Rule 2002 (the "Notice Parties"). As this motion is seeking "first day" relief, within two business days of the hearing on

[14] Because of the voluminous nature of the orders cited herein, such orders have not been attached to this motion. Copies of these orders are available upon request of the Debtors' proposed counsel.

this motion, the Debtors will serve copies of this motion and any order entered in respect to this motion as required by Local Rule 9013-1(m). In light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

71. No prior request for the relief sought in this motion has been made to this or any other court.

[*Remainder of page intentionally left blank*]

WHEREFORE, the Debtors respectfully request entry of the DIP Orders, substantially in the form attached hereto, (a) granting the relief requested herein and (b) granting such other relief as the Court deems appropriate under the circumstances.

Dated: October 23, 2024
Wilmington, Delaware

/s/ Laura Davis Jones

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Proposed Co-Counsel for the Debtors and Debtors in Possession

Exhibit A

Interim Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
AMERICAN TIRE DISTRIBUTORS, INC., *et al.*,[1]	)	Case No. 24-12391 (___)
Debtors.	)	(Joint Administration Requested)

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) OBTAIN POSTPETITION FINANCING, (B) GRANT SENIOR SECURED PRIMING LIENS AND SUPERPRIORITY ADMINISTRATIVE EXPENSE CLAIMS AND (C) UTILIZE CASH COLLATERAL; (II) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED PARTIES; (III) MODIFYING THE AUTOMATIC STAY; (IV) SCHEDULING FINAL HEARING; AND (V) GRANTING RELATED RELIEF

Upon the motion (the "Motion") of the debtors and debtors in possession (collectively, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases") for entry of this interim order (this "Interim Order") and a final order (the "Final Order") pursuant to sections 105, 361, 362, 363, 364, 503, 506 and 507 of title 11 of the United States Code (the "Bankruptcy Code"), Rules 2002, 4001, 6003, 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and the local bankruptcy rules for the District of Delaware (the "Local Bankruptcy Rules"), seeking, among other things:[2]

a. authorization for American Tire Distributors, Inc. ("Parent Borrower" and, in its capacity as borrower and administrative borrower under the DIP ABL Facility (as defined herein) for itself and certain other Debtors as borrowers thereunder, collectively, the "DIP ABL Borrowers" and individually, a

[1] The Debtors in these chapter 11 cases, along with the last four digits of the Debtors' federal tax identification numbers, are American Tire Distributors, Inc. (4594); ATD New Holdings II, Inc. (4985); ATD New Holdings III, Inc. (0977); ATD New Holdings, Inc. (3406); ATD Sourcing Solutions, LLC (5225); ATD Technology Solutions Inc. (N/A); FLX FWD Logistics, LLC (3334); Hercules Tire International Inc. (N/A); Terry's Tire Town Holdings, LLC (7409); The Hercules Tire & Rubber Company (3365); Tire Pros Francorp, LLC (1813); Tirebuyer.com, LLC (9093); and Torqata Data and Analytics LLC (4992). The location of Debtors' principal place of business and the Debtors' service address in these chapter 11 cases is 12220 Herbert Wayne Court, Huntersville, NC 28078.

[2] Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Motion, the DIP Term Loan Term Sheet (as defined herein) or the DIP ABL Credit Agreement (as defined herein), as applicable.

"DIP ABL Borrower") to obtain senior secured debtor in possession asset-based financing on a superpriority basis (the "DIP ABL Facility" and the loans and commitments extended thereunder, the "DIP ABL Loans" and, together with all obligations under the DIP ABL Facility, the "DIP ABL Obligations"), and for each of the other Debtors (collectively, the "DIP ABL Guarantors"; the DIP ABL Borrower and the DIP ABL Guarantors are hereinafter referred to as the "DIP ABL Loan Parties") to unconditionally guarantee the DIP ABL Borrower's obligations under the DIP ABL Facility, of up to $1,200,000,000.00 in the aggregate principal amount of a senior secured, superpriority, debtor in possession asset-based revolving credit facility, including a sublimit of up to $80,000,000.00 for the issuance of letters of credit, and providing for (i) the "roll up" of $49,213,830.99 in the face amount of undrawn letters of credit issued under the Prepetition ABL Facility (as defined herein), all Cash Management Obligations, and all Hedging Obligations (each as defined in the Prepetition ABL-FILO Credit Agreement) into the DIP ABL Facility and (ii) the refinancing of the Prepetition ABL Facility pursuant to a "creeping roll-up" whereby all cash, collections and proceeds of ABL Priority Collateral (as defined herein) pay down the Prepetition ABL Obligations (as defined herein), and any remaining outstanding Prepetition ABL Obligations, together with all accrued and unpaid interest, fees and expenses shall be fully "rolled" into the DIP ABL Facility and shall constitute DIP ABL Obligations (as defined herein) upon the entry of the Final Order granting such relief, all in accordance with the terms and conditions set forth in this Interim Order and that certain *Ratification and Amendment Agreement* (as amended, supplemented or otherwise modified from time to time in accordance with the terms hereof and thereof, together with the schedules and exhibits attached thereto, the "DIP ABL Credit Agreement") attached hereto as **Exhibit 4**, by and among the DIP ABL Loan Parties, Wells Fargo Bank, National Association (in its individual capacity, "Wells Fargo"), as administrative agent and collateral agent (in such capacities, the "DIP ABL Agent"), the lenders party thereto (the "DIP ABL Lenders" and, together with the DIP ABL Agent, the "DIP ABL Secured Parties") and the other agreements, documents, instruments and/or amendments executed and delivered in connection therewith (collectively, the "DIP ABL Documents");

b. authorization for Parent Borrower, as the borrower (the "DIP Term Loan Borrower" and, together with the DIP ABL Borrower, the "Borrower"), to obtain senior secured postpetition financing on a superpriority basis under a term loan facility, (the "DIP Term Loan Facility" and, together with the DIP ABL Facility, the "DIP Facilities"; and together with all obligations under the DIP Term Loan Facility, the "DIP Term Loan Obligations" and, together with the DIP ABL Obligations, the "DIP Obligations") and for the Debtors (other than the DIP Term Loan Borrower) (collectively, the "DIP Term Loan Guarantors"; and together with the DIP Term Loan Borrower, collectively, the "DIP Term Loan Parties"; the DIP Term Loan Parties and

the DIP ABL Loan Parties are hereinafter referred to as the "Loan Parties") to guarantee unconditionally the DIP Term Loan Obligations, all in accordance with the terms and conditions set forth in this Interim Order, the Final Order and the DIP Term Loan Documents (as defined herein), including that certain *Senior Secured Debtor in Possession Term Loan Facility* (as amended, supplemented or otherwise modified from time to time in accordance with its terms and the terms of this Interim Order, the "DIP Term Loan Term Sheet"), attached hereto as **Exhibit 5**, and, collectively with the schedules and exhibits attached thereto, all other DIP Term Loan Facility Documents (as defined in the DIP Term Loan Term Sheet), (and all agreements, documents, instruments and/or amendments executed and delivered in connection therewith, the "DIP Term Loan Documents" and, together with the DIP ABL Documents, the "DIP Documents") among the DIP Term Loan Parties, the lenders party thereto (the "DIP Term Lenders" and, together with the DIP ABL Lenders, the "DIP Lenders") and Wilmington Savings Fund Society, FSB, as administrative agent and collateral agent (in such capacities, the "DIP Term Loan Agent" and, together with the DIP ABL Agent, the "DIP Agents" and, collectively with the DIP Lenders, the "DIP Secured Parties"), consisting of:

i. new money term loans in an aggregate principal amount of up to $250,000,000.00 available in two draws of which (A) a principal amount of $125,000,000.00 will be available in a single draw upon satisfaction of the conditions set forth in the DIP Term Loan Documents and the entry of this Interim Order (the "Interim New Money DIP Term Loans"), which Interim New Money DIP Term Loans shall be provided and funded through Jefferies Capital Service, LLC as fronting lender (the "Fronting Lender") in accordance with the terms of the DIP Term Loan Term Sheet, the Master Consent (as defined in the DIP Term Loan Term Sheet) and the Fronting Fee Letter (as defined in the DIP Term Loan Term Sheet), and (B) an additional principal amount equal to the undrawn portion of the DIP Term Loan Facility available in a single draw upon satisfaction of the conditions set forth in the DIP Term Loan Documents and the entry of the Final Order (the "Final New Money DIP Term Loans" and, together with the Interim New Money DIP Term Loans, the "New Money DIP Term Loans" and, together with all obligations related thereto and set forth the DIP Term Loan Documents, the "New Money DIP Term Loan Obligations") from the lenders providing such New Money DIP Term Loans (the "New Money DIP Term Lenders");[3]

[3] So long as the Fronting Lender is a holder of New Money DIP Term Loans, the Fronting Lender shall be included in the definition of New Money DIP Term Lenders.

ii. upon entry of this Interim Order, a "roll up" of all 2024 Delayed Draw FILO Obligations (as defined herein) into DIP Term Loan Obligations (such rolled up amounts, the "2024 FILO Roll-Up DIP Loans"); and

iii. upon entry of this Interim Order, a "roll up" of Prepetition Term Loan Obligations (as defined herein) held by the New Money DIP Loan Lenders (or any of their affiliates) on a 3 to 1 ratio of Prepetition Term Loan Obligations to Interim New Money DIP Term Loans actually funded and, upon entry of the Final Order, a "roll up" of additional Prepetition Term Loan Obligations held by the New Money DIP Loan Lenders on a 3 to 1 ratio of Prepetition Term Loan Obligations to Final New Money DIP Term Loans actually funded into DIP Term Loan Obligations (such rolled up amounts, the "Term Loan Roll-Up DIP Loans" and, collectively with the New Money DIP Term Loans and the 2024 FILO Roll-Up DIP Loans, the "DIP Term Loans"; and the DIP Term Loans together with the DIP ABL Loans, the "DIP Loans"; and the commitments in respect thereof, the "DIP Commitments");

c. authorization for the Loan Parties to execute and enter into the DIP Documents, including the Master Consent, the Fronting Fee Letter and any and all other documents related to the fronting or seasoning of the DIP Term Loans, and to perform all such other and further acts as may be required in connection therewith;

d. authorization for the Loan Parties to use the proceeds of the DIP Facilities, subject to the Approved Budget (as defined herein), this Interim Order and the Final Order, (i) to pay working capital and other general corporate needs of the Debtors in the ordinary course of business, (ii) to pay fees, costs and expenses of administering the Chapter 11 Cases, (iii) to pay obligations arising from or related to the Carve Out (as defined herein), (iv) to pay such other prepetition obligations as set forth in the Approved Budget, or otherwise as approved by the Court, subject to the prior written consent of the Required DIP ABL Lenders and Required Consenting New Money DIP Lenders (as defined in the DIP Term Loan Term Sheet), as applicable, acting in their sole discretion, (v) to pay agency fees and the reasonable and documented fees and expenses of the DIP Agents and DIP Lenders owed under the DIP Documents, (vi) to make any adequate protection payments and (vii) for any other purposes of the Debtors permitted by the Approved Budget or approved by the prior written consent of the Required DIP ABL Lenders and Required Consenting New Money DIP Lenders, as applicable, acting in their sole discretion;

e. authorization for the Debtors to use the Prepetition Collateral, including Cash Collateral (as such term is defined in Bankruptcy Code section 363(a)), in accordance with the terms of this Interim Order, the Final Order, the Approved Budget and the DIP Documents, and providing, among other things, adequate protection to the Prepetition Secured Parties for any

Diminution in Value (as defined herein) of their interests in the Estates' interests in the Prepetition Collateral, including Cash Collateral;

f. authorization for the Loan Parties to pay, on a final and irrevocable basis, the principal, interest, fees, expenses and other amounts payable under the DIP Documents as such become earned, due and payable, including, without limitation, all letters of credit, administrative and collateral agents' fees, fronting, undrawn commitments, closing, collateral monitoring, servicing and other fees including, without limitation, the OID, the Upfront Premium and the Exit Premium (each as defined in the DIP Term Loan Term Sheet), all to the extent provided in, and in accordance with, the DIP Documents;

g. the granting to the DIP ABL Agent of automatically perfected, valid, enforceable, non-avoidable and fully perfected liens and security interests pursuant to Bankruptcy Code sections 364(c)(2) and 364(c)(3) and priming liens pursuant to Bankruptcy Code section 364(d)(1) on the DIP Collateral and all proceeds thereof, including, subject to entry of the Final Order granting such relief, Avoidance Proceeds (as defined herein), subject and subordinate only to (i) the Carve Out, (ii) the Permitted Liens (as defined herein), if any, and, (iii) in respect of the DIP Term Priority Collateral (as defined herein), the prepetition and postpetition liens and security interests in favor of the DIP Term Loan Agent, the DIP Term Lenders and the Prepetition Term Loan Secured Parties with respect to the DIP Term Loan Facility and the Prepetition Term Loan Facility, in each case, on the terms and conditions set forth in this Interim Order (including the relative priorities set forth on **Exhibit 2** hereto), the Prepetition Secured Facilities Documents (as defined herein) and the DIP Documents (as defined herein), to secure the DIP ABL Obligations;

h. the granting to the DIP Term Loan Agent of automatically perfected, valid, enforceable, non-avoidable and fully perfected liens and security interests pursuant to Bankruptcy Code sections 364(c)(2) and 364(c)(3) and priming liens pursuant to Bankruptcy Code section 364(d)(1) on the DIP Collateral and all proceeds thereof, including, subject to entry of the Final Order granting such relief, Avoidance Proceeds, subject and subordinate only to (i) the Carve Out in all respects, (ii) the Permitted Liens, if any, and (iii) in respect of the ABL Priority Collateral, the prepetition and postpetition liens and security interests in favor of the DIP ABL Secured Parties and the Prepetition ABL Secured Parties with respect to the DIP ABL Obligations and the Prepetition ABL Obligations (as defined herein), in each case, on the terms and conditions set forth in this Interim Order (including the priorities set forth on **Exhibit 2** hereto), the Prepetition Secured Facilities Documents (as defined herein) and the DIP Documents, to secure the DIP Term Loan Obligations;

i. the granting of superpriority administrative expense claims pursuant to Bankruptcy Code section 364(c)(1) against each of the Debtors' estates (the "Estates") to the DIP Secured Parties, with respect to the DIP Obligations, with priority over any and all administrative expenses of any kind or nature subject and subordinate only to the Carve Out on the terms and conditions set forth herein and in the DIP Documents;

j. subject to the entry of the Final Order granting such relief, authorization for the waiver of (x) the Debtors' and the Estates' ability to surcharge against the DIP Collateral or the Prepetition Collateral (as defined herein) pursuant to Bankruptcy Code section 506(c) with respect to the DIP Secured Parties or the Prepetition Secured Parties, as applicable, (y) the doctrine of "marshaling" and any other similar equitable doctrine with respect to the DIP Collateral and the Prepetition Collateral and (z) the applicability of the "equities of the case" exception under Bankruptcy Code section 552(b) with respect to the proceeds, products, offspring or profits of the Prepetition Collateral;

k. subject to the Notice Period (as defined herein), authorization for the DIP Secured Parties to exercise remedies under the DIP Documents on the terms described herein and therein, upon the occurrence and during the continuation of a DIP Termination Event (as defined herein);

l. waiver of any applicable stay (including under Bankruptcy Code section 362 and Bankruptcy Rule 6004) and providing for immediate effectiveness of this Interim Order; and

m. the scheduling of a final hearing (the "Final Hearing") to consider the relief requested in the Motion on a final basis and entry of the Final Order, and approval of the form of notice with respect to the Final Hearing.

The Court having considered the Motion, the exhibits attached thereto, the DIP Declarations and the First Day Declaration, the DIP Documents and the evidence submitted and argument made at the interim hearing (the "Interim Hearing"); and notice of the Motion and Interim Hearing having been provided in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d) and 9014 and all applicable Local Bankruptcy Rules; and the Interim Hearing having been held and concluded; and all objections, if any, to the interim relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing that approval of the relief requested in the Motion on an interim basis as set forth in this Interim Order is necessary to avoid

immediate and irreparable harm to the Debtors and the Estates pending the Final Hearing, and otherwise is fair and reasonable and in the best interests of the Debtors and the Estates, and is essential for the continued operation of the Debtors' business and the preservation of the value of the Debtors' Estates; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the Debtors' entry into the DIP Documents is a sound and prudent exercise of the Debtors' business judgment; and after due deliberation and consideration, and good and sufficient cause appearing therefor;

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:[4]

A. *Disposition*. The relief requested in the Motion is granted on an interim basis in accordance with the terms of this Interim Order. Any objections to the Motion with respect to the entry of this Interim Order that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby denied and overruled on the merits. This Interim Order shall become effective immediately upon its entry and any applicable stay (including under Bankruptcy Rule 6004) is waived to permit such effectiveness.

B. *Petition Date*. On October 22, 2024 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the "Court") commencing these Chapter 11 Cases.

[4] Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact pursuant to Bankruptcy Rule 7052.

C. *Debtors in Possession*. The Debtors continue to manage and operate their businesses and properties as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No trustee or examiner has been appointed in these Chapter 11 Cases.

D. *Jurisdiction and Venue*. This Court has jurisdiction over these Chapter 11 Cases, the Motion and the parties and property affected hereby pursuant to 28 U.S.C. §§ 157 and 1334. The Court's consideration of the Motion constitutes a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue for these Chapter 11 Cases and proceedings on the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409. This Court may enter a final order consistent with Article III of the United States Constitution.

E. *Committee*. As of the date hereof, the United States Trustee for the District of Delaware (the "U.S. Trustee") has not yet appointed an official committee of unsecured creditors pursuant to Bankruptcy Code section 1102 (any such committee, the "Creditors' Committee").

F. *Notice*. Upon the record presented to this Court at the Interim Hearing, and under the exigent circumstances set forth therein, notice of the Motion and the relief requested thereby and granted in this Interim Order has been provided in accordance with Bankruptcy Rules 4001(b) and 4001(c)(1) and Local Bankruptcy Rule 9013-1(m), which notice was appropriate under the circumstances and sufficient for the Motion. No other or further notice of the Motion or entry of this Interim Order is required. The relief granted herein is necessary to avoid immediate and irreparable harm to the Debtors and the Estates pending the Final Hearing, and it is a proper exercise of the Debtors' business judgment to incur the DIP Facilities to support, among other things, the orderly continuation of the operation of the Debtors' businesses, to maintain business relationships with vendors, suppliers and customers, to make capital expenditures, to pay adequate protection and to satisfy other working capital and operational needs.

G. *Debtors' Stipulations*. Without prejudice to the rights of any party in interest (but subject in all respects to the limitations set forth in paragraph 27 herein) the Debtors admit, stipulate, acknowledge and agree that:

(a) *Prepetition ABL Facility and 2024 Delayed Draw FILO Facility.*

(i) Pursuant to that certain ABL Credit Agreement, dated as of October 22, 2021, by and among Wells Fargo, as Administrative Agent and Collateral Agent (each as defined in the Prepetition ABL-FILO Credit Agreement (as defined below)) (respectively, in such capacities, the "Prepetition ABL Agent"), the lenders party thereto (the "Prepetition ABL Lenders"[5] and, together with the Prepetition ABL Agent, the "Prepetition ABL Secured Parties"), Wells Fargo, as "2024 Delayed Draw FILO Collateral Agent" (as defined in the Prepetition ABL-FILO Credit Agreement) (the "2024 Delayed Draw FILO Agent"), the 2024 Delayed Draw FILO Lenders (as defined in the Prepetition ABL-FILO Credit Agreement) (the "2024 Delayed Draw FILO Lenders" and, together with the 2024 Delayed Draw FILO Agent, the "2024 Delayed Draw FILO Secured Parties"), American Tire Distributors, Inc., as the borrower and certain of the other Debtors as borrowers thereunder (in such capacity, the "Prepetition ABL-FILO Borrowers") and certain other Debtors as guarantors thereunder (in such capacities, the "Prepetition ABL-FILO Guarantors" and, together with the Prepetition ABL-FILO Borrowers, the "Prepetition ABL-FILO Obligors"), the Prepetition ABL Lenders and the 2024 Delayed Draw FILO Lenders party thereto (as amended by that certain First Amendment to ABL Credit Agreement, dated as of April 13, 2023, that certain Second Amendment to ABL Credit Agreement dated as of July 16, 2024 and that certain Third Amendment to ABL Credit Agreement dated as of July 24, 2024, and as amended,

[5] For the avoidance of doubt, the definition of Prepetition ABL Lenders does not include the 2024 Delayed Draw FILO Lenders.

restated, supplemented or otherwise modified from time to time, the "Prepetition ABL-FILO Credit Agreement" and, together with the Prepetition Intercreditor Agreements (as defined herein), and the security agreements, pledge agreements and other security documents executed by any of the Prepetition ABL-FILO Obligors in favor of the Prepetition ABL Secured Parties and the 2024 Delayed Draw FILO Secured Parties, the other Loan Documents (as defined in the Prepetition ABL-FILO Credit Agreement), and the Master Agreement (as defined below), the "Prepetition ABL-FILO Credit Documents"), the Prepetition ABL Lenders provided the Prepetition ABL-FILO Obligors with an asset based revolving credit facility in the aggregate principal amount of $1,100,000,000.00 in respect of the revolving loans thereunder, including a Letter of Credit Sublimit (as defined in the Prepetition ABL-FILO Credit Agreement) equal to the lesser of (x) $80,000,000.00 and (y) the aggregate amount of the Revolving Credit Commitments (as defined in the Prepetition ABL-FILO Credit Agreement) and Hedging Obligations, plus a first-in-last-out term loan facility in the aggregate principal amount of $100,000,000.00 in respect of the term loans thereunder (collectively, the "Prepetition ABL Facility" and, the loans thereunder, the "Prepetition ABL Loans"). Each of the Prepetition ABL-FILO Credit Documents is valid, binding and enforceable in accordance with its terms.

(ii) Pursuant to the Prepetition ABL-FILO Credit Agreement, the 2024 Delayed Draw FILO Lenders provided the Prepetition ABL-FILO Borrowers a first-in-last-out delayed draw term loan facility in the aggregate principal amount of $75,000,000.00 in respect of the term loans thereunder (collectively, the "2024 Delayed Draw FILO Facility" and, the term loans thereunder, the "2024 Delayed Draw FILO Loans").

(iii) Pursuant to that certain 1992 ISDA Master Agreement (Multicurrency - Cross Border) dated as of November 12, 2019, between CITIBANK, N.A.

(the "Hedge Bank") and Parent Borrower, as amended by that certain Amendment Agreement No. 1 dated as of March 12, 2024 (as further amended, supplemented or modified, and including all schedules, annexes and exhibits thereto, and all confirmations exchanged pursuant to transactions entered into in connection therewith (including the transactions between the Hedge Bank and Parent Borrower, each with a trade date of August 18, 2023 (Deal No. 94079151 and Deal No. 94093426)), collectively, the "Master Agreement,"), the Parent Borrower entered into a Secured Hedge Agreement as provided for under the Prepetition ABL-FILO Credit Agreement, which Master Agreement was terminated on October 22, 2024, resulting in a secured claim by the Hedge Bank against the Debtors in the amount of $5,188,119, plus interest accruing at the default rate and reasonable and documented fees and expenses of the Hedge Bank.

(iv) As of the close of business on October 21, 2024, the Prepetition ABL-FILO Obligors were justly and lawfully indebted and liable to the Prepetition ABL Secured Parties, without defense, counterclaim or offset of any kind, in the aggregate principal amount of approximately $775,470,810.00 in respect of Prepetition ABL Loans made and approximately $49,213,830.99 in respect of issued and undrawn letters of credit, pursuant to and in accordance with the terms of the Prepetition ABL-FILO Credit Documents, plus accrued and unpaid interest, fees, expenses (including attorneys', accountants', appraisers' and financial advisors' fees, to the extent chargeable or reimbursable under the Prepetition ABL-FILO Credit Documents), charges, indemnities and other Revolving Credit Commitments (as defined in the Prepetition ABL-FILO Credit Agreement) incurred in connection therewith (whether arising before, on or after the Petition Date), plus all Cash Management Obligations (as defined in the Prepetition ABL-FILO Credit Agreement) and all Hedging Obligations (including all obligations arising under the Master

Agreement), all of which constitute the "Prepetition ABL Obligations," and have been guaranteed on a joint and several basis by the Prepetition ABL-FILO Guarantors.

(v) As of the Petition Date, the Prepetition ABL-FILO Obligors were justly and lawfully indebted and liable to the 2024 Delayed Draw FILO Secured Parties, without defense, counterclaim or offset of any kind, in the aggregate principal amount of approximately $75,000,000.00 in respect of 2024 Delayed Draw FILO Loans made pursuant to, and in accordance with the terms of, the Prepetition ABL-FILO Credit Documents, plus accrued and unpaid interest thereon and fees, expenses (including any attorneys', accountants', appraisers' and financial advisors' fees, in each case, that are chargeable or reimbursable under the Prepetition ABL-FILO Credit Documents), charges, indemnities, premiums, including the 2024 Delayed Draw FILO Prepayment Premium (as defined in the Prepetition ABL-FILO Credit Documents) in the amount of $15,069,815.12, and other 2024 Delayed Draw FILO Commitments (as defined in the Prepetition ABL-FILO Credit Agreement) incurred in connection therewith (whether arising before, on or after the Petition Date), as provided in the Prepetition ABL-FILO Credit Documents (collectively, the "2024 Delayed Draw FILO Obligations"), which 2024 Delayed Draw FILO Obligations have been guaranteed on a joint and several basis by the Prepetition ABL-FILO Guarantors.

(vi) The Prepetition ABL Obligations and the 2024 Delayed Draw FILO Obligations constitute legal, valid and binding obligations of the Prepetition ABL-FILO Obligors, enforceable in accordance with the terms of the Prepetition ABL-FILO Credit Documents; and no portion of the Prepetition ABL Obligations or 2024 Delayed Draw FILO Obligations, or any payments made to the Prepetition ABL Secured Parties or the 2024 Delayed Draw FILO Secured Parties or applied to or paid on account of the Prepetition ABL Obligations or the 2024 Delayed

Draw FILO Obligations prior to the Petition Date is subject to any contest, attack, rejection, recovery, recoupment, reduction, defense, counterclaim, offset, subordination, recharacterization, avoidance or other claim, cause of action or other challenge of any nature under the Bankruptcy Code or applicable non-bankruptcy law.

(vii) The liens and security interests granted to the Prepetition ABL Agent and the 2024 Delayed Draw FILO Agent, on behalf of the Prepetition ABL Secured Parties with respect to the Prepetition ABL Obligations (the "Prepetition ABL Liens"), and on behalf of the 2024 Delayed Draw FILO Secured Parties with respect to the 2024 Delayed Draw FILO Obligations (the "2024 Delayed Draw FILO Liens"), as applicable, and in each case pursuant to and in connection with the Prepetition ABL-FILO Credit Documents are (i) valid, binding, perfected and enforceable liens and security interests in the Prepetition ABL Priority Collateral[6] and the Prepetition Term Loan Priority Collateral[7] (the Prepetition ABL Priority Collateral and the Prepetition Term Loan Priority Collateral, collectively, the "Prepetition Collateral"), in each case subject to the relative priorities described in the Prepetition Secured Facilities Documents as set forth on **Exhibit 1**, and (ii) not subject to avoidance, recharacterization, subordination, recovery, attack, effect, counterclaim, defense or claim under the Bankruptcy Code or applicable non-bankruptcy law.

(b) *Prepetition Term Loans.*

(i) Pursuant to that certain Term Loan Credit Agreement, dated as of October 22, 2021, by and among American Tire Distributors, Inc., as the borrower

[6] "Prepetition ABL Priority Collateral" has the meaning given to "ABL Priority Collateral" in the Prepetition ABL/Term Loan Intercreditor Agreement.

[7] "Prepetition Term Loan Priority Collateral" has the meaning given to "Term Loan Priority Collateral" in the Prepetition ABL/Term Loan Intercreditor Agreement.

(the "Prepetition Term Loan Borrower"), ATD New Holdings III, Inc. (ATD New Holdings III, Inc., collectively with the Prepetition Term Loan Borrower and Subsidiary Guarantors (as defined therein), the "Prepetition Term Loan Obligors"), Bank of America, N.A., as administrative agent and collateral agent (the "Prepetition Term Loan Agent" and, together with the Prepetition ABL Agent and the 2024 Delayed Draw FILO Agent, the "Prepetition Secured Agents"), and the lenders party thereto (the "Prepetition Term Loan Lenders" and, together with the Prepetition Term Loan Agent, the "Prepetition Term Loan Secured Parties" and, collectively with the Prepetition ABL Secured Parties, the 2024 Delayed Draw FILO Secured Parties, and the Hedge Bank, the "Prepetition Secured Parties") (as amended by that certain First Amendment to Term Loan Credit Agreement, dated as of March 26, 2023, that certain Second Amendment to Term Loan Credit Agreement dated as of March 26, 2023 and that certain Third Amendment to Term Loan Credit Agreement dated as of July 24, 2024, as amended, restated, supplemented or otherwise modified from time to time, the "Prepetition Term Loan Credit Agreement" and, collectively with the Prepetition Intercreditor Agreements and the security agreements, pledge agreements and other security documents executed by any of the Prepetition Term Loan Obligors in favor of the Prepetition Term Loan Secured Parties and the other Loan Documents (as defined in Prepetition Term Loan Credit Agreement), the "Prepetition Term Loan Documents" and, together with the Prepetition ABL-FILO Credit Documents, the "Prepetition Secured Facilities Documents"), the Prepetition Term Loan Lenders provided the Prepetition Term Loan Borrower with a term loan facility in the aggregate principal amount of $1,000,000,000.00 (the "Prepetition Term Loan Facility" and, the loans thereunder, the "Prepetition Term Loans"). Each of the Prepetition Term Loan Documents is valid, binding and enforceable in accordance with its terms.

(ii) As of the Petition Date, the Prepetition Term Loan Obligors were justly and lawfully indebted and liable to the Prepetition Term Loan Secured Parties in respect of the Prepetition Term Loans in the aggregate principal amount of no less than $975,000,000.00, plus accrued and unpaid interest thereon and fees, expenses (including any attorneys', accountants', appraisers' and financial advisors' fees, in each case, that are chargeable or reimbursable under the Prepetition Term Loan Documents), charges, indemnities, premiums and other Obligations (as defined in the Prepetition Term Loan Credit Agreement) incurred in connection therewith (whether arising before, on or after the Petition Date), as provided in the Prepetition Term Loan Documents (collectively, the "Prepetition Term Loan Obligations" and, together with the Prepetition ABL Obligations and the 2024 Delayed Draw FILO Obligations, the "Prepetition Secured Obligations").

(iii) The liens and security interests granted to the Prepetition Term Loan Secured Parties (the "Prepetition Term Loan Liens" and collectively with the 2024 Delayed Draw FILO Liens and the Prepetition ABL Liens, the "Prepetition Liens") pursuant to and in connection with the Prepetition Term Loan Documents are (i) valid, binding, perfected and enforceable liens and security interests in the Prepetition Collateral, subject to the relative priorities described in the Prepetition Secured Facilities Documents as set forth on **Exhibit 1** and (ii) not subject to avoidance, recharacterization, subordination, recovery, attack, effect, counterclaim, defense or claim under the Bankruptcy Code or applicable non-bankruptcy law.

(c) *Validity, Perfection and Priority of Prepetition Liens and Prepetition Obligations*. As of the Petition Date, (i) the Prepetition Liens on the Prepetition Collateral were and continue to be valid, binding, enforceable, non-avoidable and properly perfected, and were granted to, or for the benefit of, the Prepetition Secured Parties, as applicable, for fair consideration and reasonably equivalent value; (ii) subject to the relative priorities described in the Prepetition Secured Facilities

Documents as set forth on **Exhibit 1**, the Prepetition Liens were senior in priority over any and all other liens on the Prepetition Collateral, other than any lien over the assets of the Debtors senior by operation of law or otherwise permitted to be senior by the Prepetition Secured Facilities Documents and solely to the extent such liens were valid, enforceable, non-avoidable and perfected liens in existence on the Petition Date, including valid liens in existence on the Petition Date that are perfected after the Petition Date as permitted by Bankruptcy Code section 546(b) (such liens, the "Permitted Liens"); (iii) the Prepetition Secured Obligations constitute legal, valid, binding and non-avoidable obligations of the applicable Debtors enforceable in accordance with the terms of the applicable Prepetition Secured Facilities Documents; (iv) no offsets, recoupments, challenges, objections, defenses, claims or counterclaims of any kind or nature to any of the Prepetition Secured Obligations exist, and no portion of the Prepetition Liens or Prepetition Secured Obligations is subject to any challenge or defense, including avoidance, disallowance, disgorgement, recharacterization or subordination (equitable or otherwise) pursuant to the Bankruptcy Code or applicable non-bankruptcy law; (v) the Debtors and the Estates have no claims, objections, challenges, causes of action and/or choses in action, including avoidance claims under chapter 5 of the Bankruptcy Code or applicable state law equivalents or actions for recovery or disgorgement, against any of the Prepetition Secured Parties or any of their respective affiliates, agents, representatives, attorneys, advisors, professionals, officers, directors and employees arising out of, based upon or related to the Prepetition Secured Facilities Documents; and (vi) the Debtors waive, discharge and release any right to challenge any of the Prepetition Secured

Obligations, the priority of the Debtors' obligations thereunder and the validity, extent and priority of the Prepetition Liens securing the Prepetition Secured Obligations.

(d) *Prepetition Intercreditor Agreements*. Pursuant to Bankruptcy Code section 510, any applicable intercreditor or subordination provisions contained in any of, or entered into as permitted by and in accordance with, the Prepetition Secured Facilities Documents, including that certain (i) Amended and Restated Intercreditor Agreement, dated as of July 24, 2024, by and among the Prepetition ABL Agent, the Prepetition Term Loan Agent and the 2024 Delayed Draw FILO Agent (the "Prepetition ABL/Term Loan Intercreditor Agreement") and (ii) Pari Passu Intercreditor Agreement (as defined in the Prepetition ABL/Term Loan Intercreditor Agreement) ((i)-(ii), together, each as amended, supplemented or otherwise modified prior to the date hereof, the "Prepetition Intercreditor Agreements") shall (i) remain in full force and effect and (ii) not be deemed to be amended, altered or modified by the terms of this Interim Order or the DIP Documents, in each case, unless expressly set forth herein or therein.

(e) *Cash Collateral*. All cash, securities, cash equivalents and other property of the Debtors (and the proceeds therefrom) as of the Petition Date, including, without limitation, all cash proceeds of the Prepetition Collateral (including cash on deposit in any account with any depository institution (collectively, the "Depository Institutions") as of the Petition Date, securities or other property, whether subject to control agreements or otherwise, in each case that constitutes Prepetition Collateral) and all cash securities or other property (and the proceeds therefrom) and other amounts on deposit or maintained by such parties at the Depository Institutions were subject to rights of set-off and valid, perfected, enforceable liens under the applicable Prepetition Secured Facilities Documents and applicable law for the benefit of the applicable Prepetition Secured

Parties, respectively, and are "cash collateral" of the Prepetition Secured Parties within the meaning of Bankruptcy Code section 363(a) ("Cash Collateral").

H. *Findings Regarding the DIP Facilities and Cash Collateral*.

(a) Good and sufficient cause has been shown for the entry of this Interim Order and for authorizing the Debtors to obtain financing pursuant to the DIP Facilities and to use Cash Collateral and to authorize the provision of adequate protection as a proper exercise of the Debtors' business judgment and to avoid immediate and irreparable loss or damage to the Debtors and the Estates.

(b) The Court finds that (i) it is a proper exercise of the Debtors' business judgment to incur the DIP Facilities in order to, among other things, (a) support the orderly continuation of the operation of their businesses, (b) maintain business relationships with vendors, suppliers, customers and other parties, (c) make capital expenditures, investments and pay ongoing costs of operations in accordance with the Approved Budget, (d) make adequate protection payments and (e) pay the costs of administration of the Chapter 11 Cases and satisfy other working capital and general corporate purposes of the Debtors; and (ii) the interim relief requested in the Motion is necessary to avoid the immediate and irreparable harm that would ensue should the Debtors not obtain the DIP Facilities. The Debtors will not have sufficient sources of working capital and financing to operate their businesses or maintain their assets in the ordinary course of business throughout the Chapter 11 Cases without the DIP Facilities and authorized use of Cash Collateral.

(c) As set forth in the DIP Declarations and the First Day Declaration, the Debtors are unable to obtain financing or other financial accommodations on more favorable terms from sources other than the DIP Lenders under the DIP Documents and are unable to obtain

adequate unsecured credit allowable under Bankruptcy Code section 503(b)(1) as an administrative expense. The Debtors are also unable to obtain unsecured and/or secured credit allowable under Bankruptcy Code sections 364(c)(1), 364(c)(2) and 364(c)(3) without granting to the DIP Agents and the DIP Lenders, in each case subject to the Carve Out and the Permitted Liens, the DIP Liens and the DIP Superpriority Claims and incurring the Adequate Protection Obligations, in each case, under the terms and conditions set forth in this Interim Order and in the DIP Documents.

(d) Upon (i) entry of this Interim Order, without any further action by the Debtors or any other party, but subject to paragraph 27 herein, (1) all DIP ABL Loans made or advanced under the DIP ABL Facility and all obligations arising under the DIP ABL Facility in connection therewith shall be deemed, on a dollar-for-dollar basis, DIP ABL Obligations, (2) all Cash Management Obligations, Hedging Obligations and issued and outstanding Letters of Credit (each as defined in the Prepetition ABL-FILO Credit Agreement) shall automatically be deemed exchanged for and issued under the DIP ABL Credit Agreement and shall constitute DIP ABL Obligations (the "Initial ABL Roll-Up"), and (3) all cash, collections and proceeds of DIP ABL Priority Collateral collected or received on and after the Petition Date shall be deemed, on a dollar-for-dollar basis, to reduce the Prepetition ABL Obligations and be deemed to be DIP ABL Obligations in the same amount on a dollar-for-dollar basis (the "Creeping ABL Roll-Up"), and (ii) entry of the Final Order granting such relief, but subject to paragraph 27 herein, all remaining outstanding Prepetition ABL Obligations, if any, shall automatically be deemed exchanged and converted on a cashless basis into and constitute DIP ABL Obligations (the "Full ABL Roll-Up" and, collectively with the Initial ABL Roll-Up and the Creeping ABL Roll-Up, the "DIP ABL Roll-Up Obligations"). The Prepetition ABL Secured Parties would not otherwise consent to the

use of their Cash Collateral, and the DIP ABL Agent and the DIP ABL Lenders would not be willing to provide the DIP ABL Facility or extend credit to the Debtors thereunder, without the inclusion of (i) the Initial ABL Roll-Up and the Creeping ABL Roll-Up, upon entry of this Interim Order, and (ii) the Full ABL Roll-Up, upon entry of the Final Order. The DIP ABL Roll-Up Obligations shall be authorized as compensation for, in consideration for, and solely on account of, the agreement of the Prepetition ABL Lenders to fund amounts under the DIP ABL Facility and not as adequate protection for, or otherwise on account of, any Prepetition ABL Obligations. Because the DIP ABL Roll-Up Obligations are subject to the reservation of rights in paragraph 27 herein, they will not prejudice the right of any other party in interest.

(e) Upon entry of this Interim Order, without any further action by the Debtors or any other party, but subject to paragraph 27 herein, (i) all outstanding 2024 Delayed Draw FILO Obligations shall automatically be deemed exchanged and converted on a cashless basis into and constitute DIP Term Loan Obligations (such DIP Term Loan Obligations, the "2024 FILO Roll-Up DIP Obligations"), and (ii) certain Prepetition Term Loan Obligations shall automatically be deemed exchanged and converted on a cashless basis into and constitute DIP Term Loan Obligations as follows: for every dollar of New Money DIP Term Loans funded by a New Money DIP Term Lender, three dollars of the Prepetition Term Loan Obligations beneficially owned by such New Money DIP Term Lender (or any of its affiliates) as of the date of such funding shall be deemed exchanged and converted on a cashless basis into and shall constitute DIP Term Loan Obligations until the ratio of New Money DIP Term Loans funded by such New Money DIP Term Lender to rolled up Prepetition Term Loan Obligations of such New Money DIP Term Lender (or any of its affiliates) reaches 1:3 (the "Prepetition Term Loan Roll-Up DIP Obligations" and, together with the 2024 FILO Roll-Up DIP Obligations, the "DIP Term Loan Roll-Up Obligations").

The Prepetition Term Loan Secured Parties would not otherwise consent to the use of the Prepetition Collateral (including Cash Collateral), and the New Money DIP Term Lenders would not be willing to provide the New Money DIP Term Loans or extend credit to the Debtors under the DIP Term Loan Facility, without the inclusion of (i) the 2024 FILO Roll-Up DIP Obligations and (ii) the Prepetition Term Loan Roll-Up DIP Obligations, each upon entry of this Interim Order. The DIP Term Loan Roll-Up Obligations shall be authorized as compensation for, in consideration for, and solely on account of, the agreement of the Prepetition Term Loan Lenders to fund amounts under the DIP Term Loan Facility and not as adequate protection for, or otherwise on account of, any 2024 Delayed Draw FILO Obligations or Prepetition Term Loan Obligations. Because the DIP Term Loan Roll-Up Obligations are subject to the reservation of rights in paragraph 27 herein, they will not prejudice the right of any other party in interest.

(f) Based on the Motion, the DIP Declarations and the First Day Declaration, and the record presented to the Court at the Interim Hearing, the terms of the DIP Facilities and the terms on which the Debtors may continue to use the Prepetition Collateral (including Cash Collateral) pursuant to this Interim Order and the DIP Documents are fair and reasonable under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties and provide the Debtors reasonably equivalent value and fair consideration.

(g) The Prepetition Secured Parties have consented or are deemed to have consented to the Debtors' use of Cash Collateral and the other Prepetition Collateral (solely in accordance with the terms of this Interim Order and the DIP Documents), and the Loan Parties' entry into the DIP Documents in accordance with and subject to the terms and conditions set forth in this Interim Order and the DIP Documents.

(h) The DIP Facilities and the use of the Prepetition Collateral (including Cash Collateral) have been negotiated in good faith and at arm's-length among the Debtors, the DIP Agents, the DIP Lenders and the Prepetition Secured Parties and all of the Loan Parties' obligations and indebtedness arising under, in respect of or in connection with the DIP Facilities and the DIP Documents, including, without limitation: (i) all DIP Loans made to and guarantees issued by the Debtors pursuant to the DIP Documents and (ii) any DIP Obligations shall be deemed to have been extended by the DIP Agents and the DIP Lenders in good faith, as that term is used in Bankruptcy Code section 364(e) and in express reliance upon the protections offered by Bankruptcy Code section 364(e), and the DIP Agents and the DIP Lenders (and the successors and assigns thereof) shall be entitled to the full protection of Bankruptcy Code section 364(e) in the event that this Interim Order or any provision hereof is reversed or modified on appeal.

(i) The Prepetition Secured Parties have acted in good faith regarding the DIP Facilities and the Debtors' use of the Prepetition Collateral (including Cash Collateral) to fund the administration of the Estates and continued operation of their businesses (including the incurrence and payment of the Adequate Protection Obligations and the granting of Adequate Protection Liens), in accordance with the terms hereof, and the Prepetition Secured Parties (and the successors and assigns thereof) shall be entitled to the full protection of Bankruptcy Code section 363(m) in the event that this Interim Order or any provision hereof is vacated, reversed or modified on appeal or otherwise.

(j) Subject to the Carve Out, the Prepetition Secured Parties are entitled to the adequate protection as and to the extent set forth herein pursuant to Bankruptcy Code sections 105, 361, 362, 363 and 364. Based on the Motion, the DIP Declarations and on the record presented to the Court, the terms of the proposed adequate protection arrangements for the use of and

diminution of value of the Prepetition Collateral (including Cash Collateral), if any, are fair and reasonable, and reflect the Debtors' prudent exercise of business judgment; *provided* that nothing in this Interim Order or the other DIP Documents shall (w) be construed as the affirmative consent by any of the Prepetition Secured Parties for the use of Cash Collateral, other than on the terms set forth in this Interim Order and in the context of the DIP Facilities authorized by this Interim Order, (x) be construed as a consent by any party to the terms of any other financing or any other lien encumbering the Prepetition Collateral (whether senior or junior), (y) prejudice, limit or otherwise impair the rights of any of the Prepetition Secured Parties, subject to any applicable provisions of the Prepetition Intercreditor Agreements, to seek new, different or additional adequate protection or assert the interests of any of the Prepetition Secured Parties or (z) in the event of any such request for new, different or additional relief per clause (y) of this subparagraph, all parties' rights (including the Debtors') to oppose such relief are fully reserved.

(k) Holders constituting required lenders under the applicable Prepetition Secured Facilities Documents have consented to, or are deemed to consent to, conditioned upon the entry of this Interim Order, the Debtors' incurrence of the DIP Facilities and proposed use of the Prepetition Collateral (including Cash Collateral) on the terms and conditions set forth in this Interim Order, including, without limitation, the terms of the adequate protection provided for in this Interim Order.

(l) Good cause has been shown for entry of this Interim Order, and entry of this Interim Order is in the best interests of the Debtors' Estates and creditors as its implementation will, among other things, allow for the continued operation of the Debtors' existing businesses and enhance the Debtors' prospects for a successful restructuring. Absent granting the relief sought by this Interim Order, the Debtors' Estates will be immediately and irreparably harmed.

Based upon the foregoing findings and conclusions, the Motion and the record before the Court with respect to the Motion, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. DIP Financing Approved. The Motion is granted on an interim basis as set forth herein. The DIP Facilities are approved on an interim basis. The use of Cash Collateral on an interim basis is authorized, subject to the terms of this Interim Order.

2. Objections Overruled. Any objections, reservations of rights or other statements with respect to entry of this Interim Order, to the extent not withdrawn or resolved, are overruled on the merits. This Interim Order shall become effective immediately upon its entry.

3. Authorization of the DIP Facilities and the DIP Documents.

(a) The Loan Parties are hereby authorized to execute, enter into and perform all obligations under the DIP Documents. The DIP ABL Borrowers and DIP Term Loan Borrower are hereby authorized pursuant to this Interim Order to forthwith borrow money, obtain letters of credit and incur and designate cash management obligations or hedging obligations as DIP Obligations pursuant to the applicable DIP Documents, and the DIP ABL Guarantors and DIP Term Loan Guarantors are hereby authorized to guarantee their respective borrowers' obligations with respect to such borrowings and letters of credit as described herein, subject to any conditions and limitations under the DIP Documents, which shall be used for all purposes as outlined herein and under the DIP Documents, including, without limitation and as applicable, (i) to pay working capital and other general corporate needs of the Debtors in the ordinary course of business, in each case in accordance with the Approved Budget (subject to Permitted Variances (as defined in the DIP Documents)), (ii) to pay fees, costs and expenses of administering the Chapter 11 Cases, in each case in accordance with the Approved Budget (subject to Permitted Variances), (iii) to pay

obligations arising from or related to the Carve Out, (iv) to pay such other prepetition obligations as set forth in the Approved Budget (subject to Permitted Variances), or otherwise as approved by the Court, subject to the prior written consent of the Required DIP ABL Lenders and Required Consenting New Money DIP Lenders, as applicable, acting in their sole discretion, (v) to pay agency fees and the reasonable and documented fees and expenses of the DIP Agents and DIP Lenders owed under the DIP Documents, (vi) to make any adequate protection payments provided for herein and (vii) for any other purposes of the Debtors permitted by the Approved Budget (subject to Permitted Variances) or approved by the prior written consent of the Required DIP ABL Lenders and Required Consenting New Money DIP Lenders, as applicable, acting in their sole discretion.

(b) The DIP Documents and this Interim Order shall constitute and evidence the validity and binding effect of the DIP Obligations, which shall be enforceable against the Debtors, the Estates and any successors thereto, including, without limitation, any trustee appointed in the Chapter 11 Cases, or in any case under chapter 7 of the Bankruptcy Code upon the conversion of any of the Chapter 11 Cases, or in any other proceedings superseding or related to any of the foregoing (collectively, the "Successor Cases"). Upon entry of this Interim Order, the DIP Obligations will include all loans, letter of credit reimbursement obligations and any other indebtedness or obligations, contingent or absolute, which may now or from time to time be owing by any of the Debtors to the DIP Agents or any of the other DIP Secured Parties, in each case, under, or secured by, the DIP Documents or this Interim Order, including, without limitation, all principal, accrued interest, costs, fees, expenses and other amounts owing under the DIP Documents, and all cash management and bank product exposure and hedging exposure and obligations to the extent provided under the DIP Documents. The DIP Obligations shall be due

and payable, without notice or demand, on the Maturity Date (as defined in the DIP ABL Credit Agreement) and the DIP Term Loan Facility Termination Date (as defined in the DIP Term Loan Term Sheet). Except as expressly set forth in this Interim Order, including the Carve Out, no obligation, payment, transfer or grant of collateral security hereunder or under the DIP Documents (including any DIP Obligation or DIP Liens, and including in connection with any adequate protection provided to the Prepetition Secured Parties hereunder) shall be stayed, restrained, voidable, avoidable or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under Bankruptcy Code sections 502(d), 544 and 547 to 550 or under any applicable state Uniform Voidable Transactions Act, Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act or similar statute or common law), or subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether equitable, contractual or otherwise, other than the Carve Out), counterclaim, cross-claim, defense or any other challenge under the Bankruptcy Code or any applicable law or regulation by any person or entity.

(c) Upon entry of this Interim Order, the DIP ABL Facility, the Initial ABL Roll-Up and the Creeping Roll-Up are approved. The authorization of the DIP ABL Roll-Up Obligations shall be subject to the reservation of rights set forth in paragraph 27 of this Interim Order and, in the event of a successful Challenge (as defined herein), the Court may fashion any appropriate remedy. The Debtors are expressly and immediately authorized and empowered to execute and deliver the DIP ABL Documents, and to incur and to perform the DIP ABL Obligations in accordance with, and subject to, the terms of this Interim Order and the DIP ABL Documents, and to deliver all instruments, certificates, agreements and documents that may be required or necessary for the performance by the Debtors under the DIP ABL Facility and the

creation and perfection of the DIP Liens described in and provided for by this Interim Order and the DIP ABL Documents, including, the joint and several guarantee of all of the DIP ABL Obligations and such acts as shall be necessary or desirable in order to effect the Initial ABL Roll-Up and the Creeping Roll-Up. The Debtors are hereby authorized to pay, in accordance with this Interim Order, the principal, interest, fees, payments, expenses and other amounts described in the DIP ABL Documents as such amounts become due and payable and without need to obtain further Court approval, including, without limitation, closing fees, arrangement fees, letter of credit fees (including issuance, fronting and other related charges), unused facility fees, continuing commitment fees, backstop fees, servicing fees, audit fees, appraisal fees, liquidator fees, structuring fees, administrative agent's fees, collateral agent's fees and the reasonable fees and disbursements of the DIP ABL Agent's attorneys, advisors, accountants and other consultants, whether or not such fees arose before or after the Petition Date, and whether or not the transactions contemplated hereby are consummated, to implement all applicable reserves and to take any other actions that may be necessary or appropriate, all to the extent provided in this Interim Order or the DIP ABL Documents. All collections and proceeds, whether from ordinary course collections, asset sales, debt or equity issuances, insurance recoveries, condemnations or otherwise, will be deposited and applied as required by this Interim Order and the DIP ABL Documents until such time as the DIP Obligations and the Prepetition ABL Obligations are Paid in Full (as defined herein). Upon execution and delivery, the DIP ABL Documents shall represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and the Estates in accordance with their terms. Notwithstanding anything to the contrary in this Interim Order, the "roll-up" of the Prepetition ABL Obligations (including the Prepetition ABL Loans) into DIP ABL Roll-Up

Obligations shall not be deemed to be a repayment under section 8.04 of the Prepetition ABL-FILO Credit Agreement.

(d) Upon entry of this Interim Order, the DIP Term Loan Facility, the 2024 FILO Roll-Up DIP Obligations and the Prepetition Term Loan Roll-Up DIP Obligations are approved. The authorization of the DIP Term Loan Roll-Up Obligations shall be subject to the reservation of rights set forth in paragraph 27 of this Interim Order and, in the event of a successful Challenge (as defined herein), the Court may fashion any appropriate remedy. The Debtors are expressly and immediately authorized and empowered to execute and deliver the DIP Term Loan Documents, and to incur and to perform the DIP Term Loan Obligations in accordance with, and subject to, the terms of this Interim Order and the DIP Term Loan Documents, and to deliver all instruments, certificates, agreements and documents that may be required or necessary for the performance by the Debtors under the DIP Term Loan Facility and the creation and perfection of the DIP Liens described in and provided for by this Interim Order and the DIP Term Loan Documents. The Debtors are hereby authorized to pay, in accordance with this Interim Order, the principal, interest, fees, payments, expenses and other amounts described in the DIP Term Loan Documents as such amounts become due and payable and without need to obtain further Court approval, whether or not such fees arose before or after the Petition Date, and whether or not the transactions contemplated hereby are consummated, all to the extent provided in this Interim Order or the DIP Term Loan Documents. Upon execution and delivery, the DIP Term Loan Documents shall represent valid and binding obligations of the Debtors, enforceable against each of the Debtors and the Estates in accordance with their terms.

(e) In furtherance of the foregoing and without further approval of this Court, each Loan Party is authorized to perform all acts, to make, execute and deliver all instruments and

documents (including, without limitation, the execution or recordation of security agreements, mortgages and financing statements), and to pay all fees required under the DIP Documents or that may otherwise be reasonably necessary for or in connection with the Loan Parties' performance of their obligations under the DIP Documents, including as applicable and, without limitation:

(i) the execution and delivery of, and performance under, each of the DIP Documents;

(ii) the execution and delivery of, and performance under, one or more amendments, waivers, consents or other modifications to and under the DIP Documents, in each case, in such form as the requisite parties under the DIP Documents may agree, it being understood that no further approval of the Court shall be required for authorizations, amendments, waivers, consents or other modifications to and under the DIP Documents that are either non-material or not adverse to the Debtors and any fees and other expenses (including any attorneys', accountants', field examiners', appraisers' and financial advisors' fees), amounts, charges, costs, indemnities and other obligations paid in accordance and connection therewith. In the case of material amendments, waivers, consents or other modifications to the DIP Documents, the Debtors shall first request approval from the Court for such material amendment, waiver, consent or other modification, which request may be on an expedited basis. For the avoidance of doubt, the extension of a Milestone (as defined in the DIP Documents) or the delivery of an updated Approved Budget shall not constitute a material amendment, modification, waiver or supplement to the DIP Documents;

(iii) subject to the Carve Out, the non-refundable payment to the DIP Agents or the DIP Lenders, as the case may be, of all fees (which fees shall be approved upon entry of this Interim Order and, upon payment thereof, in accordance with the terms of the DIP

Documents and this Interim Order, shall not be subject to any contest, attack, rejection, recoupment, reduction, defense, counterclaim, offset, subordination, recharacterization, avoidance or other claim, cause of action or other challenge of any nature under the Bankruptcy Code, under applicable non-bankruptcy law or otherwise), and any amounts due (or that may become due) in respect of the reimbursement and indemnification obligations, in each case referred to in the DIP Documents (and in any separate letter agreements between any or all Debtors, on the one hand, and the DIP Agents and/or DIP Lenders, on the other, in connection with the DIP Facilities) and the costs and expenses as may be due from time to time, including, without limitation, fees and expenses of the professionals retained by the DIP Agents and the DIP Lenders, as provided for in this Interim Order, and the DIP Documents, without the need to file retention motions or fee applications or to provide notice to any party; and

(iv) the performance of all other acts required under or in connection with the DIP Documents.

(f) Upon execution and delivery thereof, the DIP Documents shall constitute valid, binding and unavoidable obligations of the Loan Parties, enforceable against each Loan Party thereto in accordance with the terms of the DIP Documents and this Interim Order. No obligation, payment, transfer or grant of security under the DIP Documents or this Interim Order to the DIP Agents and/or the DIP Lenders shall be stayed, restrained, voidable or recoverable under the Bankruptcy Code or under any applicable law (including, without limitation, under Bankruptcy Code sections 502(d), 548 or 549), or subject to any defense, reduction, setoff, recoupment, claim or counterclaim.

4. DIP Superpriority Claims.

(a) Subject to the Carve Out and the relative priorities set forth in **Exhibit 2**, pursuant to Bankruptcy Code section 364(c)(1), all of the New Money DIP Term Loan Obligations, the 2024 FILO Roll-Up DIP Obligations and the Prepetition Term Loan Roll-Up DIP Obligations shall constitute allowed superpriority administrative expense claims against the Loan Parties in each of the Chapter 11 Cases (without the need to file any proof of claim) with priority over any and all other claims against the Loan Parties, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kind specified in Bankruptcy Code sections 503(b) and 507(b) and any and all administrative expenses or other claims arising under Bankruptcy Code sections 105, 326, 328, 330, 331, 365, 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 (including the Adequate Protection Obligations), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, (respectively, the "New Money DIP Term Loan Superpriority Claims," the "2024 FILO Roll-Up DIP Loan Superpriority Claims" and the "Term Loan Roll-Up DIP Loan Superpriority Claims", and collectively, the "DIP Term Loan Superpriority Claims") shall for purposes of Bankruptcy Code section 1129(a)(9)(A) be considered administrative expenses allowed under Bankruptcy Code section 503(b).

(b) Subject to the Carve Out and the relative priorities set forth in **Exhibit 2**, pursuant to Bankruptcy Code section 364(c)(1), all of the DIP ABL Obligations (including, without limitation, all DIP ABL Roll-Up Obligations) shall constitute allowed superpriority administrative expense claims against the Loan Parties in each of the Chapter 11 Cases (without the need to file any proof of claim) with priority over any and all other claims against the Loan Parties, now existing or hereafter arising, of any kind whatsoever, including, without limitation,

all administrative expenses of the kind specified in Bankruptcy Code sections 503(b) and 507(b) and any and all administrative expenses or other claims arising under Bankruptcy Code sections 105, 326, 328, 330, 331, 365, 503(b), 506(c), 507(a), 507(b), 726, 1113 or 1114 (including the Adequate Protection Obligations), whether or not such expenses or claims may become secured by a judgment lien or other non-consensual lien, levy or attachment, which allowed claims (the "DIP ABL Superpriority Claims," and together with the DIP Term Loan Superpriority Claims, the "DIP Superpriority Claims") shall for purposes of Bankruptcy Code section 1129(a)(9)(A) be considered administrative expenses allowed under Bankruptcy Code section 503(b), and which DIP Superpriority Claims shall be payable from and have recourse to all pre- and postpetition property of the Loan Parties and all proceeds thereof (excluding Avoidance Actions, but including, upon entry of the Final Order granting such relief, Avoidance Proceeds).

(c) The DIP Superpriority Claims shall be entitled to the full protection of Bankruptcy Code section 364(e) in the event that this Interim Order or any provision hereof is reversed or modified on appeal.

5. DIP Liens. As security for the DIP Obligations, subject and subordinate in all respects to the Carve Out, effective and automatically perfected upon the entry of this Interim Order (as applicable) and without the necessity of the execution, recordation or filing by the Loan Parties, the DIP Agents or any DIP Lender of mortgages, security agreements, control agreements, pledge agreements, financing statements or other similar documents, or the possession or control by the DIP Agents of, or over, any DIP Collateral, the following security interests and liens are hereby granted to the DIP Agents for their own respective benefit and the benefit of their respective DIP Lenders, subject only to the Carve Out and the Permitted Liens (all such liens and security

interests granted to the DIP Agents, for their respective benefit and for the benefit of the respective DIP Lenders, pursuant to this Interim Order and the DIP Documents, the "DIP Liens"):

(a) First Lien on Unencumbered Property. Pursuant to Bankruptcy Code section 364(c)(2), and subject and subordinate in all respects to the Carve Out, valid, binding, continuing, enforceable, fully perfected first priority senior security interests in and liens upon all DIP Collateral, to the extent such DIP Collateral is not subject to valid, perfected and non-avoidable liens as of the Petition Date or valid and non-avoidable liens in favor of third parties that were in existence immediately prior to the Petition Date that are perfected as permitted by Bankruptcy Code section 546(b) ("Unencumbered Property"), with the relative priorities among the DIP Obligations as set forth on **Exhibit 2** attached hereto;

(b) Liens Junior to Certain Other Liens. Pursuant to Bankruptcy Code section 364(c)(3), and subject and subordinate in all respects to the Carve Out, valid, binding, continuing, enforceable, fully perfected junior security interests in and liens on the DIP Collateral, to the extent such DIP Collateral is subject to the Permitted Liens, with the relative priorities among the DIP Liens as set forth on **Exhibit 2** attached hereto; and

(c) Priming Liens. Pursuant to Bankruptcy Code section 364(d)(1), and subject and subordinate in all respects to the Carve Out, a valid, binding, continuing, enforceable, fully perfected priming senior security interests in and liens upon the Prepetition Collateral, which security interests and liens shall prime the Prepetition Term Loan Liens to the extent and in accordance with the priorities shown on **Exhibit 2** attached hereto.

6. Relative Priority of DIP Liens.

(a) The DIP Liens securing the DIP ABL Obligations (the "DIP ABL Liens") are continuing valid, automatically perfected, non-avoidable, senior in priority and superior to any

security, mortgage, collateral interest, lien or claim to any of the DIP Collateral, subject to and in accordance with the relative priorities shown on **Exhibit 2** attached hereto.[8]

(b) The DIP Liens securing (i) the New Money DIP Term Loan Obligations (the "New Money DIP Term Loan Liens"), (ii) the 2024 Delayed Draw FILO Roll-Up Obligations (the "2024 FILO Roll-Up DIP Loan Liens") and (iii) the Prepetition Term Loan Roll-Up DIP Obligations (the "Term Loan Roll-Up DIP Loan Liens") are continuing, valid, automatically perfected, non-avoidable, senior in priority and superior to any security, mortgage, collateral interest, lien or claim to any of the DIP Collateral, subject to and in accordance with the relative priorities shown on **Exhibit 2** attached hereto.

(c) In the event of an enforcement of remedies in respect of the DIP Facilities and the application of the DIP Collateral, such DIP Collateral shall be applied as specified on **Exhibit 2** attached hereto.

7. DIP Term Loan Roll-Up Obligations. Upon entry of this Interim Order, (i) all outstanding 2024 Delayed Draw FILO Obligations shall be converted into DIP Term Loan Obligations and (ii) Prepetition Term Loan Obligations shall be converted into DIP Term Loan Obligations in the amounts set forth in Paragraph H(d) above, in each case without any further action by the Debtors or any other party. Notwithstanding the roll-up and conversion of 2024 Delayed Draw FILO Obligations into DIP Term Loan Obligations in accordance with the terms of this Interim Order, the Final Order or otherwise, (i) nothing contained in this Interim Order or otherwise shall affect, alter, modify or limit any of the claims, rights, priorities and/or obligations of the Prepetition ABL Agent, the Prepetition ABL Lenders and the 2024 Delayed Draw FILO

[8] For the avoidance of doubt, nothing in this Interim Order shall limit the rights of the DIP Secured Parties to the extent Permitted Liens are not permitted under the DIP Documents.

Secured Parties vis-à-vis each other as set forth in the Prepetition ABL-FILO Credit Agreement and other Prepetition ABL-FILO Credit Documents in connection with the 2024 Delayed Draw FILO Obligations, and (ii) while the Interim Order is in effect, the 2024 Delayed Draw FILO Secured Parties shall not exercise any rights with respect to the 2024 Delayed Draw FILO Obligations, as rolled up and converted into DIP Term Loan Obligations in accordance with the terms of this Interim Order, that would be inconsistent with the terms and conditions contained in the Prepetition Intercreditor Agreements as they relate to the ABL Priority Collateral; it being understood that as it relates to the Prepetition ABL Agent and the Prepetition ABL Secured Parties, the 2024 Delayed Draw FILO Obligations shall be deemed First Lien Term Loan Debt (as defined in the Prepetition Intercreditor Agreements) and the 2024 Delayed Draw FILO Secured Parties shall be deemed to be First Lien Term Loan Secured Parties (as defined in the Prepetition Intercreditor Agreements) and bound by all of the terms and restrictions set forth therein.

8. DIP Collateral. For purposes of this Interim Order, "DIP Collateral" shall mean (i) the Debtors' interest in all assets and properties, whether tangible, intangible, real, personal or mixed, but excluding Excluded Property (as defined in the DIP ABL Credit Agreement and the DIP Term Loan Term Sheet, as applicable), whether now owned by or owing to, or hereafter acquired by, or arising in favor of, the Debtors (including under any trade names, styles or derivations thereof), and whether owned or consigned by or to, or leased from or to, the Debtors, and regardless of where located, in each case to the extent such assets and properties constitute Prepetition Collateral; and (ii) property of the Debtors (other than Excluded Property (as defined in the DIP ABL Credit Agreement and the DIP Term Loan Term Sheet, as applicable)), whether existing on the Petition Date or thereafter acquired, that, on or as of the Petition Date is not subject to valid, perfected and non-avoidable liens (or perfected after the Petition Date to the extent

permitted by Bankruptcy Code section 546(b)) (subject only to the Carve Out), including, without limitation, an equity pledge of all direct subsidiaries organized in the U.S. to the extent not constituting Excluded Property and all unencumbered assets of the Debtors, all prepetition property and postpetition property of the Estates, and the proceeds, products, rents and profits thereof, whether arising from Bankruptcy Code section 552(b) or otherwise, including, without limitation, unencumbered cash (and any investment of such cash) of the Debtors (whether maintained with the DIP Agents or otherwise) all equipment, all goods, all accounts, cash, payment intangibles, bank accounts and other deposit or securities accounts of the Debtors (including any accounts opened prior to, on or after the Petition Date), insurance policies and proceeds thereof, equity interests, instruments, intercompany claims, accounts receivable, other rights to payment, all general intangibles, all contracts and contract rights, securities, investment property, letters of credit and letter of credit rights, chattel paper, all interest rate hedging agreements, all owned real estate, real property leaseholds, fixtures, patents, copyrights, trademarks, trade names, rights under license agreements and other intellectual property, all commercial tort claims, and all claims and causes of action, and any and all proceeds, products, rents and profits of the foregoing, excluding Avoidance Actions (as defined herein) but including, subject to entry of a Final Order granting such relief, Avoidance Proceeds (collectively, the "Previously Unencumbered Property"); *provided*, *however*, that the DIP Loan Proceeds Account (as defined in the DIP Term Loan Term Sheet) and the proceeds of the DIP Term Loans, whether deposited therein or otherwise, shall not constitute DIP Collateral securing any DIP ABL Obligations.

9. Subject to the Carve Out and the DIP Documents, (i) the ABL Priority Collateral (as defined in the Prepetition ABL/Term Loan Intercreditor Agreement), all products and proceeds of ABL Priority Collateral, Avoidance Proceeds realized in connection with any ABL Priority

Collateral (subject to entry of a Final Order granting such relief), other Previously Unencumbered Property to the extent such Previously Unencumbered Property would have been considered ABL Priority Collateral (as defined in the Prepetition ABL/Term Loan Intercreditor Agreement) under the Prepetition ABL/Term Loan Intercreditor Agreement, all products and proceeds of the DIP ABL Loans and all other DIP Collateral that is not DIP Term Priority Collateral shall constitute "DIP ABL Priority Collateral," and (ii) the Term Loan Priority Collateral (as defined in the Prepetition ABL/Term Loan Intercreditor Agreement), all products and proceeds of Term Loan Priority Collateral, Avoidance Proceeds realized in connection with any Term Loan Priority Collateral (subject to entry of a Final Order granting such relief), other Previously Unencumbered Property to the extent such Previously Unencumbered Property would have been considered Term Loan Priority Collateral (as defined in the Prepetition ABL/Term Loan Intercreditor Agreement) under the Prepetition ABL/Term Loan Intercreditor Agreement, all products and proceeds of the DIP Term Loans, and all other DIP Collateral that is not DIP ABL Priority Collateral shall constitute "DIP Term Priority Collateral."

10. Notwithstanding anything to the contrary herein, to the extent a DIP Lien cannot attach to the DIP Collateral pursuant to applicable law, the DIP Liens granted pursuant to this Interim Order shall attach to the Debtors' economic rights, including, without limitation, any and all proceeds of such DIP Collateral.

11. Excluded Assets. Notwithstanding anything to the contrary in this Interim Order or the DIP Documents, the DIP Collateral shall not include (a) the Excluded Property (as defined in the applicable DIP Documents), (b) any claims and causes of action under Bankruptcy Code sections 502(d), 544, 545, 547, 548, 549 and 550 (collectively, the "Avoidance Actions") and (c) prior to entry of the Final Order granting such relief, the proceeds of Avoidance Actions (it

being understood that subject only to and effective upon entry of the Final Order, the DIP Collateral shall include any proceeds or property recovered, unencumbered or otherwise from successful Avoidance Actions, whether by judgment, settlement or otherwise ("Avoidance Proceeds")) (the assets from (a)-(c), the "Excluded Assets").

12. Carve Out.

(a) Carve Out. As used in this Interim order, the "Carve Out" means the sum of (i) all fees required to be paid to the Clerk of the Court and to the Office of the United States Trustee under section 1930(a) of title 28 of the United States Code plus interest at the statutory rate (without regard to the notice set forth in (iii) below); (ii) all reasonable fees and expenses up to $75,000.00 incurred by a trustee under Bankruptcy Code section 726(b) (without regard to the notice set forth in (iii) below); (iii) to the extent allowed at any time, whether by interim order, procedural order or otherwise, all unpaid fees and expenses (the "Allowed Professional Fees") incurred by persons or firms retained by the Debtors pursuant to Bankruptcy Code sections 327, 328 or 363 (the "Debtor Professionals") and the Creditors' Committee, if any, pursuant to Bankruptcy Code section 328 or 1103 (the "Committee Professionals" and, together with the Debtor Professionals, the "Professional Persons") at any time before or on the first business day following delivery by the DIP ABL Agent or the DIP Term Loan Agent of a Carve Out Trigger Notice (as defined below), whether allowed by the Court prior to or after delivery of a Carve Out Trigger Notice; and (iv) Allowed Professional Fees of Professional Persons in an aggregate amount not to exceed $500,000 incurred after the first business day following delivery by the DIP ABL Agent or the DIP Term Loan Agent of the Carve Out Trigger Notice, to the extent allowed at any time, whether by interim order, procedural order or otherwise (the amounts set forth in this clause (iv) being the "Post-Carve Out Trigger Notice Cap," of which the foregoing $500,000 shall

be funded into a reserve account from proceeds from the initial draw of New Money DIP Term Loans). For purposes of the foregoing, "Carve Out Trigger Notice" shall mean a written notice delivered by email (or other electronic means) by the DIP ABL Agent (acting at the direction of the Required DIP ABL Lenders) or the DIP Term Loan Agent (acting at the direction of the Required Consenting New Money DIP Lenders) to (i) the Debtors, (ii) their lead restructuring counsel, (iii) the U.S. Trustee, (iv) lead counsel to the Ad Hoc Group and (v) lead counsel to the Creditors' Committee, if any, with a copy to (vi) the DIP Agent not delivering such notice, which notice may be delivered following the occurrence and during the continuation of an Event of Default (as defined in the DIP Term Loan Term Sheet or DIP ABL Credit Agreement, as applicable) and acceleration of the DIP ABL Obligations or the DIP Term Loan Obligations, as applicable, or termination of the Debtors' right to use Cash Collateral, as applicable, stating that the Post-Carve Out Trigger Notice Cap has been invoked.

(b) Delivery of Weekly Statements. Not later than 7:00 p.m. (Prevailing Eastern Time) on the third business day of each week starting with the first full calendar week following the Petition Date, each Professional Person shall deliver to the Debtors a statement setting forth a good-faith estimate of the amount of fees and expenses (collectively, "Estimated Fees and Expenses") incurred during the preceding week by such Professional Person (through Saturday of such week, the "Calculation Date"), along with a good-faith estimate of the cumulative total amount of unreimbursed fees and expenses incurred through the applicable Calculation Date and a statement of the amount of such fees and expenses that have been paid to date by the Debtors (each such statement, a "Weekly Statement"); *provided* that within one business day of the occurrence of the Termination Declaration Date (as defined below), each Professional Person shall deliver one additional statement (the "Final Statement") setting forth a good-faith estimate of the

amount of fees and expenses incurred during the period commencing on the calendar day after the most recent Calculation Date for which a Weekly Statement has been delivered and concluding on the Termination Declaration Date (and the Debtors shall cause such Weekly Statement and Final Statement to be delivered promptly to the DIP ABL Agent and DIP Term Loan Agent). If any Professional Person fails to deliver a Weekly Statement within three (3) calendar days after such Weekly Statement is due, such Professional Person's entitlement (if any) to any funds in the Pre-Carve Out Trigger Notice Reserve (as defined herein) with respect to the aggregate unpaid amount of Allowed Professional Fees for the applicable period(s) for which such Professional Person failed to deliver a Weekly Statement covering such period shall be limited to the aggregate unpaid amount of Allowed Professional Fees included in the Approved Budget for such period for such Professional Person.

(c) Carve Out Reserves.

(i) Commencing with the week ended October 25, 2024, and on or before the Thursday of each week thereafter, the Debtors shall utilize cash on hand as of such date and, to the extent insufficient, available cash thereafter held by any Debtor, including any cash held in escrow on account of the New Money DIP Term Loans that has been funded by the New Money DIP Term Lenders but has not yet been disbursed to the Debtors, to fund a reserve in an amount equal to the sum of (a) the greater of (i) the aggregate unpaid amount of all Estimated Fees and Expenses reflected in the Weekly Statement delivered on the immediately prior Wednesday to the Debtors and the DIP Term Loan Agent and the DIP ABL Agent and (ii) the aggregate amount of unpaid Allowed Professional Fees contemplated to be incurred in the Approved Budget during such week, *plus* (b) the Post-Carve Out Trigger Notice Cap, *plus* (c) an amount equal to the amount of Allowed Professional Fees set forth in the Approved Budget for the week occurring after the

most recent Calculation Date. The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust (the "Funded Reserve Account") to pay such Allowed Professional Fees (the "Funded Reserves") prior to any and all other claims, and all payments of Allowed Professional Fees incurred prior to the Termination Declaration Date shall be paid first from such Funded Reserve Account.

(ii) On the day on which a Carve Out Trigger Notice is given by the DIP Term Loan Agent or the DIP ABL Agent, as applicable, to the Debtors with a copy to counsel to the Creditors' Committee, if any, and the DIP Agent not delivering such notice (the "Termination Declaration Date"), the Carve Out Trigger Notice shall constitute a demand to the Debtors, and the Debtors shall utilize cash on hand as of such date, including cash in the Funded Reserve Account, and, to the extent the foregoing is insufficient, any available cash thereafter held by any Debtor, including any cash held in escrow on account of the New Money DIP Term Loans that has been funded by the New Money DIP Term Lenders but has not yet been disbursed to the Debtors, to fund a reserve in an amount equal to the then unpaid amounts of the Allowed Professional Fees. The Debtors shall deposit and hold such amounts in a segregated account maintained by the Debtors in trust to pay such then unpaid Allowed Professional Fees (the "Pre-Carve Out Trigger Notice Reserve") prior to any other claims. On the Termination Declaration Date, the Carve Out Trigger Notice shall also constitute a demand to the Debtors to utilize all cash on hand as of such date, including cash in the Funded Reserve Account, and, to the extent the foregoing is insufficient, any available cash thereafter held by any Debtor, including any cash held in escrow on account of the New Money DIP Term Loans that has been funded by the New Money DIP Term Lenders but has not yet been disbursed to the Debtors, after funding the Pre-Carve Out Trigger Notice Reserve, to fund a reserve in an amount equal to the Post-Carve Out Trigger Notice Cap. The Debtors shall

deposit and hold such amounts in a segregated account maintained by the Debtors in trust to pay such Allowed Professional Fees benefiting from the Post-Carve Out Trigger Notice Cap (the "Post-Carve Out Trigger Notice Reserve" and, together with the Pre-Carve Out Trigger Notice Reserve, the "Carve Out Reserves") prior to any and all other claims.

(d) Application of Carve Out Reserves.

(i) All funds in the Pre-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clauses (i) through (iii) of the definition of Carve Out set forth above (the "Pre-Carve Out Amounts"), but not, for the avoidance of doubt, the Post Carve Out Trigger Notice Cap, until indefeasibly paid in full. If the Pre-Carve Out Trigger Notice Reserve has not been reduced to zero, all remaining funds shall be distributed first to the DIP Term Loan Agent and the DIP ABL Agent on account of the applicable DIP Obligations until indefeasibly paid in full, and thereafter to the Prepetition Secured Parties in accordance with their rights and priorities as set forth in this Interim Order.

(ii) All funds in the Post-Carve Out Trigger Notice Reserve shall be used first to pay the obligations set forth in clause (iv) of the definition of Carve Out set forth above (the "Post-Carve Out Amounts"), and then, to the extent the Post-Carve Out Trigger Notice Reserve has not been reduced to zero, to pay the DIP Term Loan Agent and the DIP ABL Agent for the benefit of the DIP Lenders, unless the DIP Obligations have been indefeasibly paid in full, in which case any such excess shall be paid to the Prepetition Secured Parties in accordance with their rights and priorities as set forth in this Interim Order.

(iii) Notwithstanding anything to the contrary in the DIP Documents or this Interim Order, if either of the Carve Out Reserves is not funded in full in the amounts set forth in Paragraph 12(c), then, any excess funds in one of the Carve Out Reserves following the payment

of the Pre-Carve Out Amounts and Post-Carve Out Amounts, respectively (subject to the limits contained in the Post-Carve Out Trigger Notice Cap), shall be used to fund the other Carve Out Reserve, up to the applicable amount set forth in Paragraph 12(c), prior to making any payments to the DIP Term Loan Agent, the DIP ABL Agent or the Prepetition Secured Parties, each as applicable.

(iv) Notwithstanding anything to the contrary in the DIP Documents or this Interim Order, following delivery of a Carve Out Trigger Notice, the DIP Agents and the Prepetition Secured Parties shall not sweep or foreclose on cash (including cash received as a result of the sale or other disposition of any assets) of the Debtors until the Carve Out Reserves have been fully funded, but shall have a security interest in any residual interest in the Carve Out Reserves, with any excess paid to the applicable DIP Agent for application in accordance with the applicable DIP Documents.

(v) Further, notwithstanding anything to the contrary in this Interim Order, (i) disbursements by the Debtors from the Carve Out Reserves shall not constitute DIP Loans or increase or reduce the DIP Obligations, (ii) the failure of the Carve Out Reserves to satisfy in full the Allowed Professional Fees shall not affect the priority of the Carve Out with respect to any shortfall (as described below) and (iii) subject to the limitations with respect to the DIP Agent, DIP Lenders and the Prepetition Secured Parties set forth in this Paragraph 12, in no way shall the Initial Approved Budget, any subsequent Approved Budget, the Carve Out, the Post-Carve Out Trigger Notice Cap or the Carve Out Reserves, or any of the foregoing, be construed as a cap or limitation on the amount of the Allowed Professional Fees due and payable by the Debtors. For the avoidance of doubt and notwithstanding anything to the contrary in this Interim Order or the DIP Documents, the Carve Out shall be senior to all liens and claims securing the DIP

Obligations, the Adequate Protection Liens, the Prepetition Secured Obligations, the DIP Superpriority Claims and any and all other forms of adequate protection, liens or claims securing the DIP Obligations or the Prepetition Secured Obligations.

(e) Payment of Allowed Professional Fees Prior to the Termination Declaration Date. Any payment or reimbursement made prior to the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall not reduce the Carve Out.

(f) No Direct Obligation To Pay Allowed Professional Fees. None of the DIP Agents, DIP Lenders or the Prepetition Secured Parties shall be responsible for the payment or reimbursement of any fees or disbursements of any Professional Person incurred in connection with the Chapter 11 Cases or any successor cases under any chapter of the Bankruptcy Code. Nothing in this Interim Order or otherwise shall be construed to obligate the DIP Agents, the DIP Lenders or the Prepetition Secured Parties, in any way, to pay compensation to, or to reimburse expenses of, any Professional Person or to guarantee that the Debtors have sufficient funds to pay such compensation or reimbursement.

(g) Payment of Allowed Professional Fees on or After the Termination Declaration Date. Following the delivery of the Carve Out Trigger Notice, all Allowed Professional Fees shall be paid from the applicable Carve Out Reserve, and no Professional Person shall seek payment of any Allowed Professional Fees from any other source until the applicable Carve Out Reserve has been exhausted. Any payment or reimbursement made on or after the occurrence of the Termination Declaration Date in respect of any Allowed Professional Fees shall permanently reduce the Carve Out on a dollar-for-dollar basis. Any funding of the Carve Out shall be added to, and made a part of, the DIP Obligations secured by the DIP Collateral and shall be

otherwise entitled to the protections granted under this Interim Order, the DIP Documents, the Bankruptcy Code and applicable law.

13. Protection of DIP Lenders' Rights.

(a) Until the DIP Obligations have been Paid in Full and the termination of all remaining DIP Commitments under the DIP Facilities, the Prepetition Secured Parties shall: (i) have no right to and shall take no action to foreclose upon, or recover in connection with, the liens granted thereto pursuant to the Prepetition Secured Facilities Documents or this Interim Order, or otherwise seek to exercise or enforce any rights or remedies against DIP Collateral, including in connection with the Adequate Protection Liens except to the extent authorized herein or by an order of this Court; (ii) be deemed to have consented to any transfer, disposition or sale of, or release of liens on, any DIP Collateral, to the extent such transfer, disposition, sale or release is authorized under the DIP Documents; and (iii) deliver or cause to be delivered, at the Loan Parties' cost and expense and at the reasonable request of the DIP Agents, any termination statements, releases and/or assignments in favor of the DIP Agents or the DIP Lenders or other documents necessary to effectuate and/or evidence the release, termination and/or assignment of liens on any portion of such DIP Collateral subject to any such transfer, disposition, sale or release; *provided* that nothing herein shall affect the rights and priorities set forth herein including those set forth on **Exhibit 2** hereto or any party's rights to seek relief from the Court upon the occurrence and during the continuation of a DIP Termination Event.

(b) To the extent the Prepetition Secured Agents or any other Prepetition Secured Parties have possession of any Prepetition Collateral or DIP Collateral or have control with respect to any Prepetition Collateral or DIP Collateral, then such Prepetition Secured Party shall be deemed, subject to the applicable rights and priorities set forth herein including those set

forth on **Exhibit 2** hereto, without incurring any liability or duty to any party, to maintain such possession or exercise such control as gratuitous bailee and/or gratuitous agent for perfection for the benefit of the DIP Agents and the DIP Lenders and shall, at the Loan Parties' cost and expense, comply with the reasonable instructions of the DIP Agents with respect to the exercise of such control, and the DIP Agents agree, that such Prepetition Secured Parties shall be deemed, without incurring any liability or duty to any party, to maintain possession or control of any Prepetition Collateral or DIP Collateral in its possession or control as gratuitous bailee and/or sub-collateral gratuitous agent for perfection for the benefit of the DIP Agents and the DIP Lenders with respect to bank accounts.

(c) No rights, protections or remedies of the DIP Agents or the DIP Lenders granted by the provisions of this Interim Order or the DIP Documents shall be limited, modified or impaired in any way by: (i) any actual or purported withdrawal of the consent of any party (other than the DIP Agents' and DIP Lenders' consent to use Cash Collateral in accordance with the terms contained herein) to the Debtors' authority to continue to use Cash Collateral; (ii) any actual or purported termination of the Debtors' authority to continue to use Cash Collateral (other than in accordance with the terms of this Interim Order); or (iii) the terms of any other order or stipulation related to the Debtors' continued use of Cash Collateral or the provision of adequate protection to any party.

14. Marshaling. Subject to the entry of the Final Order granting such relief, none of the DIP Term Lenders, the DIP Term Loan Agent, the DIP ABL Lenders, the DIP ABL Agent with respect to the DIP Collateral or the Prepetition Secured Parties with respect to the Prepetition Collateral and the Adequate Protection Liens, shall be subject to the equitable doctrine of "marshaling" or any other similar doctrine, and all proceeds thereof shall be received and used in

accordance with this Interim Order. Further, subject only to and effective upon entry of the Final Order granting such relief, in no event shall the "equities of the case" exception in Bankruptcy Code section 552(b) apply to the secured claims of the Prepetition Secured Parties.

15. Limitation on Charging Expenses. Subject to the entry of the Final Order granting such relief, and except to the extent of the Carve Out, no costs or expenses of administration of the Chapter 11 Cases or any future proceeding that may result therefrom, including liquidation in bankruptcy or other proceedings under the Bankruptcy Code, shall be charged against or recovered from the DIP Collateral or the Prepetition Collateral (including Cash Collateral), as applicable, pursuant to Bankruptcy Code section 506(c) or any similar principle of law without the prior written consent of the DIP Agents or the Prepetition Secured Agents, as applicable, and no such consent shall be implied from any other action, inaction or acquiescence by the DIP Agents or the DIP Lenders with respect to the DIP Collateral or the Prepetition Secured Agents with respect to the Prepetition Collateral. Nothing contained in this Interim Order shall be deemed to be a consent by the DIP Agents or the DIP Lenders or the Prepetition Secured Parties, as applicable, to any charge, lien, assessment or claim against the DIP Collateral or the Prepetition Collateral, as applicable, under Bankruptcy Code section 506(c) or otherwise.

16. Payments Free and Clear. Subject in all respects to the Carve Out, any and all payments or proceeds remitted to the DIP Agents on behalf of the DIP Lenders or Prepetition Secured Agents on behalf of the Prepetition Secured Parties pursuant to the provisions of this Interim Order, the DIP Documents or any subsequent order of the Court shall be irrevocably received free and clear of any claim, charge, assessment or other liability, including without limitation, any such claim or charge arising out of or based on, directly or indirectly, Bankruptcy

Code sections 506(c) or 552(b), whether asserted or assessed by, through or on behalf of the Debtors.

17. Use of Cash Collateral. Subject to the terms and conditions of this Interim Order and the DIP Documents, and in accordance with the Approved Budget, the Debtors are authorized to use Cash Collateral until the occurrence of a DIP Termination Event; *provided*, *however*, that during the Notice Period following the occurrence of a DIP Termination Event, the Debtors may use Cash Collateral subject to paragraph 24 herein; *provided* that the Prepetition Secured Parties are granted adequate protection as set forth herein. Nothing in this Interim Order shall authorize the disposition of any assets of the Debtors outside the ordinary course of business, or any Debtor's use of any Cash Collateral or other proceeds resulting therefrom, except as permitted by this Interim Order and the DIP Documents, and in accordance with the Approved Budget.

18. Adequate Protection for the Prepetition ABL Secured Parties and the Prepetition Term Loan Secured Parties. Until the Prepetition ABL Obligations are Paid in Full,[9] the Prepetition ABL Secured Parties, and until the Prepetition Term Loan Obligations are Paid in Full, the Prepetition Term Loan Secured Parties are entitled, pursuant to Bankruptcy Code sections 361, 362, 363(e) and 364(d)(1), to adequate protection against the diminution in value, if any, of their

[9] "Paid in Full" means the indefeasible repayment in full in cash of all obligations (including principal, interest, fees, expenses and indemnities other than contingent indemnification obligations for which no claim has been asserted) under the applicable credit facility, the cash collateralization or repayment in full in cash of all treasury and cash management obligations, hedging obligations and bank product obligations, and the cancelation, replacement, backing or cash collateralization of letters of credit, in each case, in accordance with the terms of the applicable credit facility. No facility shall be deemed to have been Paid in Full until such time as, with respect to the applicable credit facility, (a) the commitments to lend thereunder have been terminated, (b) with respect to the Prepetition ABL Obligations and the DIP ABL Roll-Up Obligations, (i) the Challenge Deadline (as defined herein) shall have occurred without the timely and proper commencement of a Challenge or (ii) if a Challenge is timely and properly asserted prior to the Challenge Deadline, upon the final, non-appealable disposition of such Challenge and (c) with respect to the Prepetition ABL Obligations and the DIP ABL Obligations, the Prepetition ABL Agent or the DIP ABL Agent (as applicable) has received (i) a countersigned payoff letter in form and substance satisfactory to such agent and (ii) releases in form and substance satisfactory to such agent, each in its sole discretion, including a release from any further obligations or subordination with respect to the Carve Out.

interests in the Prepetition Collateral, including Cash Collateral, in an amount equal to the aggregate diminution in the value of their respective interests in the Prepetition Collateral from and after the Petition Date, if any, resulting from, as applicable, the sale, lease or use by the Debtors of the Prepetition Collateral, the priming of the Prepetition Term Loan Liens and the Prepetition ABL Liens by the DIP Liens pursuant to the DIP Documents and this Interim Order and the imposition of the automatic stay pursuant to Bankruptcy Code section 362 (the "Diminution in Value"). In consideration of the foregoing, the Prepetition Term Loan Secured Parties and the Prepetition ABL Secured Parties are hereby granted the following (collectively, the "Adequate Protection Obligations"), in each case, subject in all respects to the Carve Out and in accordance with the rights and priorities set forth in **Exhibit 2**:

(a) *ABL Adequate Protection Liens*. The Prepetition ABL Agent, for the benefit of itself and the other Prepetition ABL Secured Parties, is hereby granted valid, binding, enforceable, non-avoidable and perfected replacement and additional postpetition security interests in, and liens (the "ABL Adequate Protection Liens") on, the DIP Collateral including, without limitation, subject to entry of the Final Order granting such relief, the Avoidance Proceeds. The ABL Adequate Protection Liens shall be subject and subordinate to the Carve Out, the Permitted Liens (if any) and otherwise consistent with the relative rights and priorities as set forth on **Exhibit 2** attached hereto.

(b) *ABL Adequate Protection 507(b) Claims*. The Prepetition ABL Agent, for the benefit of itself and the other Prepetition ABL Secured Parties, is hereby granted allowed superpriority administrative expense claims as provided for in Bankruptcy Code section 507(b) in the amount of their respective Diminution in Value (the "ABL Adequate Protection 507(b) Claims"), which ABL Adequate Protection 507(b) Claims shall have recourse to and be payable

from the DIP Collateral, including, without limitation, subject to entry of the Final Order granting such relief, the Avoidance Proceeds. The ABL Adequate Protection 507(b) Claims shall be subject and subordinate to the Carve Out and otherwise consistent with the relative rights and priorities as set forth on **Exhibit 2** attached hereto.

(c) *Prepetition ABL Interest Payments*. Subject and subordinate to the Carve Out, as additional adequate protection, the Debtors are authorized and directed to provide the Prepetition ABL Agent, for the benefit of itself and the other Prepetition ABL Secured Parties, with adequate protection in the form of cash payments covering any outstanding Prepetition ABL Obligations after the entry of this Interim Order, including interest equal to the applicable interest rate under the DIP ABL Credit Agreement with respect to DIP ABL Obligations to the extent such Prepetition ABL Obligations have not yet been exchanged or converted into DIP ABL Roll-Up Obligations and any fees and expenses owed by the Debtors in connection with such Prepetition ABL Obligations, subject to the rights preserved in this Interim Order.

(d) *Term Loan Adequate Protection Liens*. The Prepetition Term Loan Agent for the benefit of the Prepetition Term Loan Secured Parties, as applicable, is hereby granted valid, binding, enforceable, non-avoidable and perfected replacement and additional postpetition security interests in, and liens (the "Term Loan Adequate Protection Liens" and together with the ABL Adequate Protection Liens, the "Adequate Protection Liens") on, the DIP Collateral, including without limitation, subject to entry of the Final Order granting such relief, the Avoidance Proceeds. The Term Loan Adequate Protection Liens shall be subject and subordinate to the Carve Out and otherwise consistent with the relative rights and priorities as set forth on **Exhibit 2** attached hereto.

(e) *Term Loan Adequate Protection 507(b) Claims*. The Prepetition Term Loan Secured Parties are hereby granted allowed superpriority administrative expense claims as provided for in Bankruptcy Code section 507(b) in the amount of their respective Diminution in Value (the "Term Loan Adequate Protection 507(b) Claims" and together with the ABL Adequate Protection 507(b) Claims, the "Adequate Protection 507(b) Claims"), which Term Loan Adequate Protection 507(b) Claims shall have recourse to and be payable from the DIP Collateral, including, without limitation, subject to entry of the Final Order granting such relief, the Avoidance Proceeds. The Term Loan Adequate Protection 507(b) Claims shall be subject and subordinate to the Carve Out and otherwise consistent with the relative rights and priorities as set forth on **Exhibit 2** attached hereto.

(f) *Reporting*. The Prepetition Term Loan Secured Parties and the Prepetition ABL Secured Parties shall be entitled to delivery of all reports and notices deliverable to the DIP Secured Parties pursuant to the DIP ABL Credit Agreement and the DIP Term Loan Term Sheet, as applicable.

(g) *Adequate Protection Fees and Expenses*. As further adequate protection, the Debtors are authorized and directed to pay, in accordance with paragraph 29 of this Interim Order, the reasonable and documented prepetition and postpetition fees and expenses (the "Adequate Protection Fees and Expenses") of the Prepetition Term Loan Secured Parties, the Prepetition ABL Secured Parties, and the Hedge Bank, including such parties' agency fees and the reasonable and documented professional fees as follows: (1) the Prepetition ABL Agent, including the agency fees and the reasonable and documented fees and disbursements of (x) one primary counsel, (y) one financial advisor and (z) one local counsel in each applicable jurisdiction (including, without limitation, local Delaware counsel and Canadian counsel); (2) the Prepetition

Term Loan Agent (including any successor agent thereto), including the agency fees and the reasonable and documented fees and disbursements of (x) one primary counsel and (y) one local counsel; (3) the Ad Hoc Group (including, without limitation, Akin Gump Strauss Hauer & Feld LLP, Perella Weinberg Partners LP, Potter Anderson & Corroon LLP, as Delaware counsel, and one local counsel in each other applicable jurisdiction and, in the event of any actual conflict of interest, one additional counsel to the affected parties); and (4) the Hedge Bank, including the reasonable and documented fees and disbursements of (x) one primary counsel and (y) one local counsel.

19. Reservation of Rights of the Prepetition Secured Parties. Under the circumstances and given that the above-described adequate protection is consistent with the Bankruptcy Code, including section 506(b) thereof, the Court finds that the adequate protection provided herein is reasonable and sufficient to protect the interests of the Prepetition Secured Parties; *provided* that, the Prepetition Secured Parties may request further or different adequate protection; *provided*, *further*, that all parties' rights (including the Debtors') to contest such adequate protection requests are fully preserved.

20. Perfection of DIP Liens and the Adequate Protection Liens.

(a) This Interim Order shall be sufficient and conclusive evidence of the creation, validity, automatic perfection and priority of all liens granted herein, including the DIP Liens and the Adequate Protection Liens, without the necessity of filing or recording any financing statement, mortgage, notice or other instrument or document which may otherwise be required under the law or regulation of any jurisdiction or the taking of any other action (including, for the avoidance of doubt, entering into any account control agreement or mortgage with respect to any real estate, ship or vessel or taking possession of any possessory collateral) to validate or perfect

(in accordance with applicable non-bankruptcy law) the DIP Liens or the Adequate Protection Liens or to entitle the DIP Agents, the other DIP Secured Parties and the Prepetition Secured Parties to the priorities granted herein.

(b) The DIP Agents, on behalf of the applicable DIP Lenders, and the Prepetition Secured Agents, on behalf of, or at the direction of, the applicable Prepetition Secured Parties, are hereby authorized (unless otherwise agreed between the Debtors and the requisite DIP Lenders or the Prepetition Secured Parties in the applicable DIP Documents or Prepetition Secured Facilities Documents), but not required, to file or record (and to execute in the name of the Debtors, as their true and lawful attorneys, with full power of substitution, to the maximum extent permitted by law) financing statements, trademark filings, copyright filings, notices of lien or similar instruments in any jurisdiction, or take possession of or control over cash or securities, equity certificates or promissory notes, or take any other action in order to validate and perfect the liens and security interests granted to them hereunder. Whether or not the DIP Agents, on behalf of the applicable DIP Lenders, or the Prepetition Secured Agents, on behalf of, or at the direction of, the applicable Prepetition Secured Parties, shall, in their sole discretion, choose to file such financing statements, trademark filings, copyright filings, notices of lien or similar instruments, or take possession of or control over cash or securities, equity certificates or promissory notes, or otherwise confirm perfection of the liens and security interests granted to them hereunder, such liens and security interests shall be deemed valid, automatically perfected, allowed, enforceable, non-avoidable and not subject to challenge, dispute or subordination, at the time and on the date of entry of this Interim Order. Upon the reasonable request of the DIP Agents, each of the Prepetition Secured Parties and the Loan Parties, without any further consent of any party, is authorized (in the case of the Prepetition Secured Parties) (unless otherwise agreed between the

Debtors and the requisite DIP Lenders or the Prepetition Secured Parties in the applicable DIP Documents or Prepetition Secured Facilities Documents) and directed (in the case of the Loan Parties) to take, execute, deliver and file such instruments (in each case, without representation or warranty of any kind) to enable the DIP Agents to further validate, perfect, preserve and enforce the DIP Liens, at the Loan Parties' cost and expense. All such documents will be deemed to have been recorded and filed as of the Petition Date.

(c) A certified copy of this Interim Order may, in the discretion of the DIP Agents or the Prepetition Secured Agents, be filed with or recorded in filing or recording offices in addition to or in lieu of such financing statements, notices of lien or similar instruments, and all filing offices are hereby authorized and directed to accept such certified copy of this Interim Order for filing and/or recording, as applicable. The automatic stay of Bankruptcy Code section 362(a) shall be modified to the extent necessary to permit the DIP Agents or the Prepetition Secured Agents to take all actions, as applicable, referenced in this subparagraph (c) and the immediately preceding subparagraph (a).

21. Approved Budget.

(a) The initial budget (the "Initial Approved Budget"), as attached to this Interim Order as **Exhibit 3**, is hereby approved. The use of proceeds under the DIP Facilities (including in connection with any letters of credit) and the use of Cash Collateral shall be in accordance with the terms and conditions set forth in this Interim Order and each subsequent Approved Budget, subject to the Permitted Variances and the terms and conditions contained in the DIP Documents. The Initial Approved Budget reflects, among other things, the Debtors' anticipated operating receipts, anticipated operating disbursements, anticipated non-operating disbursements, net operating cash flow and liquidity for each calendar week covered thereby. The

Initial Approved Budget may be modified, amended, supplemented and updated from time to time in accordance with the DIP Documents and upon approval of the Required Lenders (as defined in the DIP ABL Credit Agreement and referred to herein as "Required DIP ABL Lenders") and the Required Consenting New Money DIP Lenders except for where the consent of the Supermajority New Money DIP Lenders (as defined in the DIP Term Loan Term Sheet) is required (each, as applicable, referred to herein as "Required DIP Term Lenders" as the circumstances warrant) in accordance with the DIP Documents (the Initial Approved Budget and each subsequent approved budget shall constitute, without duplication, an "Approved Budget"); *provided*, *however*, that in the event that the Required DIP ABL Lenders, the Required DIP Term Lenders and the Debtors cannot agree as to an updated, modified, updated or supplemented budget, the prior Approved Budget shall continue in effect, with weekly details for any periods after the initial 13-week period to be derived in a manner reasonably satisfactory to the Required DIP ABL Lenders and the Required DIP Term Lenders from the monthly budget prepared by the Debtors (and approved by the Required DIP ABL Lenders and the Required DIP Term Lenders) for these Chapter 11 Cases, *provided*, *further*, that no Approved Budget can reduce, eliminate, or otherwise adjust the reserve taken under the DIP ABL Facility on account of the obligations owed to the Hedge Bank without the express written consent of the Hedge Bank. A copy of any Approved Budget (or updated Approved Budget) shall be delivered to counsel for a Creditors' Committee (if appointed) and the U.S. Trustee. The Initial Approved Budget has been thoroughly reviewed by the Debtors, their management and their advisors. The Debtors, their management and their advisors believe the Initial Approved Budget and the estimate of administrative expenses due or accruing during the period covered by the Initial Approved Budget were developed using reasonable assumptions, and based on those assumptions, the Debtors believe there should be sufficient available assets to pay

all administrative expenses due or accruing during the period covered by the Initial Approved Budget. The Initial Approved Budget is an integral part of this Interim Order, and the DIP Secured Parties and the Prepetition Secured Parties are relying, in part, upon the Debtors' agreement to comply with the Initial Approved Budget (subject to the terms of the DIP Documents), in determining to enter into the DIP Facilities and to allow the Debtors' use of Cash Collateral in accordance with the terms of this Interim Order and the DIP Documents.

(b) The Debtors shall at all times comply with the Approved Budget, subject to the Permitted Variances and the other terms and conditions set forth in the DIP Documents. The Debtors shall provide all reports and other information as required in the DIP Documents. The Debtors' failure to comply with the Approved Budget (including the Permitted Variances set forth in the DIP Documents) or to provide the reports and other information required in the DIP Documents shall constitute an Event of Default (as defined in the DIP ABL Credit Agreement and the DIP Term Loan Term Sheet, as applicable), following the expiration of any applicable cure period set forth herein and in the DIP Documents.

22. DIP Termination Events. Subject to any obligations under the Carve Out and any applicable grace period under the DIP Documents and this Interim Order and the Notice Period, the DIP ABL Obligations or the DIP Term Loan Obligations, as applicable, shall accelerate and become immediately due and payable in full, all Cash Management Obligations (as defined in the DIP ABL Credit Agreement) shall be cash collateralized, all outstanding Letters of Credit (as defined in the DIP ABL Credit Agreement) and bankers' acceptances shall be cash collateralized in an amount equal to 103% of the face amount thereof and such DIP Commitments shall terminate, in each case without further notice or action by the Court following the earliest to occur of any of the following, unless waived in writing by the DIP ABL Agent (with respect to the DIP ABL

Obligations) or the DIP Term Loan Agent (with respect to the DIP Term Loan Obligations), as applicable (each a "DIP Termination Event"): (i) the occurrence of any Event of Default (as defined in the applicable DIP Documents), which Events of Default are explicitly incorporated by reference into this Interim Order; (ii) the Debtors' failure to comply with any provision of this Interim Order; (iii) the occurrence of the Termination Declaration Date, the Maturity Date or the DIP Term Loan Facility Termination Date; (iv) the entry of an order authorizing the use of DIP Collateral or Cash Collateral or financing under Bankruptcy Code section 364 or the filing by the Debtors of a motion seeking such authority, in each case without the consent of the Required DIP ABL Lenders and the Required DIP Term Lenders; (v) dismissal or conversion of any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code; (vi) termination of this Interim Order; and (vii) the filing of a plan or disclosure statement that is not approved by the Required DIP Term Lenders, the DIP Term Loan Agent, the Required DIP ABL Lenders, the DIP ABL Agent, the Required Consenting 2024 FILO Lenders (as defined in the Restructuring Support Agreement (as defined in the DIP Term Loan Term Sheet)), the Required Consenting Prepetition Term Loan Lenders (as defined in the Restructuring Support Agreement) and the Prepetition ABL Secured Parties and which does not provide for the DIP Obligations and the Prepetition ABL Obligations to be Paid in Full in cash on the effective date of such plan.

23. Remedies upon a DIP Termination Event. The Debtors shall promptly provide notice to counsel to the DIP Agents, the DIP Lenders, counsel to the Creditors' Committee, if any, and counsel to the Ad Hoc Group of the occurrence of any DIP Termination Event. Upon the occurrence and during the continuation of a DIP Termination Event (regardless of whether the Debtors have given the notice described in the previous sentence) and following the giving of not less than five (5) days' advance written notice by counsel for the applicable DIP Agent, which may

be by email (such period, the "Notice Period," and such notice, the "Enforcement Notice"), to counsel to the Debtors, the U.S. Trustee, counsel to the Ad Hoc Group, counsel to the non-noticing DIP Agent and counsel to the Creditors' Committee, if any, subject to the obligations with respect to the Carve Out, (i) the DIP Agents, acting at the direction of applicable DIP Lenders (as set forth in the applicable DIP Documents) may exercise any rights and remedies against the DIP Collateral available to them under this Interim Order, the DIP Documents and applicable non-bankruptcy law, and the DIP Secured Parties may exercise such rights available to them under the DIP Documents or this Interim Order; (ii) the Prepetition Secured Parties may exercise any rights and remedies to satisfy the Prepetition Secured Obligations and Adequate Protection Obligations, subject to the DIP Obligations, the DIP Superpriority Claims, the Permitted Liens (if any) and the Carve Out, and consistent with the Prepetition Secured Facilities Documents, including the Prepetition Intercreditor Agreements, and the relative rights and priorities as set forth on **Exhibit 2** attached hereto; and (iii) the commitment of each DIP Lender to make DIP Loans will be terminated to the extent any such commitment remains under the DIP Facilities. The automatic stay pursuant to Bankruptcy Code section 362 shall be automatically modified with respect to the DIP Secured Parties and the Prepetition Secured Parties at the end of the Notice Period, without further notice or order of the Court, unless (a) the DIP ABL Agent (with respect to the DIP ABL Obligations), the DIP Term Loan Agent (acting at the direction of the Required DIP Term Lenders) and the Prepetition Secured Agents (acting at the direction of the applicable requisite lenders), as applicable, elect otherwise in a written notice to the Debtors, and/or (b) the Court has determined

that a DIP Termination Event has not occurred and/or is not continuing or the Court orders otherwise.

24. Emergency Hearing. Upon delivery of an Enforcement Notice, each of the DIP Secured Parties, the Prepetition Secured Parties, the Debtors and the Creditors' Committee (if any), as applicable, consent to a hearing on an expedited basis to consider (a) whether a DIP Termination Event has occurred and (b) any appropriate relief (including, without limitation, the Debtors' non-consensual use of Cash Collateral); *provided* that if a request for such hearing is made prior to the end of the Notice Period, then the Notice Period shall be continued until the Court hears and rules with respect thereto. During the Notice Period, notwithstanding anything to the contrary set forth in the paragraph immediately above, (i) the DIP Secured Parties may not exercise any default rights or remedies to satisfy the DIP Obligations, including any default rights and remedies against the DIP Collateral, (ii) the Prepetition Secured Parties may not exercise any default rights or remedies to satisfy the Prepetition Secured Obligations and the Adequate Protection Obligations, including any rights or remedies against the Prepetition Collateral and (iii) the Debtors shall continue to have the right to use Cash Collateral in accordance with the terms of this Interim Order, solely to pay necessary expenses set forth in the Approved Budget to avoid immediate and irreparable harm to the Estates. At the end of the Notice Period, unless the Court has entered an order to the contrary or otherwise fashioned an appropriate remedy, the Debtors' right to use Cash Collateral shall immediately cease, unless otherwise provided herein, and the Prepetition Secured Parties, the DIP Agents and the DIP Lenders shall have the rights set forth in the paragraph immediately above, without the necessity of seeking relief from the automatic stay.

25. Preservation of Rights Granted Under This Interim Order. Subject in all respects to paragraph 27 hereof:

(a) Other than the Carve Out, the Permitted Liens and other claims and liens expressly granted by this Interim Order or as permitted pursuant to the DIP Documents, no claim or lien having a priority superior to or pari passu with those granted by this Interim Order to the DIP Agents and the DIP Lenders, or the Prepetition Secured Parties, respectively, shall be granted or allowed while any of the DIP Obligations, the Adequate Protection Obligations, the Prepetition ABL Obligations, or the Prepetition Term Loan Obligations remain outstanding. Except as otherwise expressly provided in the DIP Documents or this Interim Order and as set forth in **Exhibit 2** hereto, and subject to the Carve Out and Permitted Liens in all respects, the DIP Liens and the Adequate Protection Liens shall not be: (i) subject or subordinate to any lien or security interest that is avoided and preserved for the benefit of the Estates under Bankruptcy Code section 551; (ii) subordinated to or made pari passu with any other lien or security interest, whether under Bankruptcy Code section 364(d) or otherwise; (iii) subordinated to or made pari passu with any liens arising after the Petition Date including, without limitation, any liens or security interests granted in favor of any federal, state, municipal or other domestic or foreign governmental unit (including any regulatory body), commission, board or court for any liability of the Debtors; and (iv) subject or subordinate to any intercompany or affiliate liens or security interests against the Debtors.

(b) Notwithstanding any order that may be entered dismissing or converting any of the Chapter 11 Cases under Bankruptcy Code section 1112 or otherwise: (i) the Carve Out, the DIP Superpriority Claims, the DIP Liens, the Adequate Protection Liens and the Adequate Protection 507(b) Claims shall continue in full force and effect and shall maintain their priorities as provided in this Interim Order (and that such liens and claims shall, notwithstanding such dismissal, remain binding on all parties in interest) until all DIP Obligations and Adequate

Protection Obligations shall have been Paid in Full; (ii) the other rights granted by this Interim Order shall not be affected; and (iii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing the claims, liens and security interests referred to in this paragraph 25 and otherwise in this Interim Order.

(c) If any or all of the provisions of this Interim Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacation or stay shall not affect: (i) the validity, priority or enforceability of the Carve Out, any DIP Obligations or Adequate Protection Obligations incurred prior to the actual receipt of written notice by the DIP Agents and the Ad Hoc Group, as applicable, of the effective date of such reversal, modification, vacation or stay; or (ii) the validity, priority or enforceability of the DIP Liens or the Adequate Protection Liens. Notwithstanding any such reversal, modification, vacation or stay of any use of Cash Collateral, any DIP Obligations or any Adequate Protection Obligations incurred by the Debtors to the DIP Agents, the DIP Lenders and the Prepetition Secured Parties, as the case may be, prior to the actual receipt of written notice by the DIP Agents, the Prepetition Secured Parties and the Ad Hoc Group, as applicable, of the effective date of such reversal, modification, vacation or stay, shall be governed in all respects by the original provisions of this Interim Order, and the DIP Agents, the DIP Lenders and the Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges and benefits granted in Bankruptcy Code section 364(e), this Interim Order and the DIP Documents.

(d) Except as expressly provided in this Interim Order or in the DIP Documents, the Carve Out, the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Obligations and all other rights and remedies of the DIP Agents, the DIP Lenders and the Prepetition Secured Parties granted by the provisions of this Interim Order and the DIP Documents shall survive, and

shall not be modified, impaired or discharged by: (i) the entry of an order converting any of the Chapter 11 Cases to a case under chapter 7, dismissing any of the Chapter 11 Cases, terminating the joint administration of these Chapter 11 Cases or any other act or omission; (ii) the entry of an order approving the sale of any DIP Collateral pursuant to Bankruptcy Code section 363(b) (except to the extent permitted by the DIP Documents); or (iii) the entry of an order confirming a chapter 11 plan in any of the Chapter 11 Cases and, pursuant to Bankruptcy Code section 1141(d)(4), the Debtors have waived any discharge as to any remaining DIP Obligations or Adequate Protection Obligations. The terms and provisions of this Interim Order and the DIP Documents shall continue in these Chapter 11 Cases and in any Successor Cases, and the Carve Out, the DIP Liens, the DIP Superpriority Claims, the Adequate Protection Obligations and all other rights and remedies of the DIP Agents, the DIP Lenders and the Prepetition Secured Parties granted by the provisions of this Interim Order and the DIP Documents shall continue in full force and effect until the DIP Obligations are Paid in Full, as set forth herein and in the DIP Documents, and the commitments under the DIP Facilities have been terminated. Subject to the rights and limitations set forth in paragraph 27, any successor to the Debtors (including, without limitation, any chapter 7 or chapter 11 trustee appointed or elected for any of the Debtors or any other estate representative appointed in the Chapter 11 Cases or any Successor Cases) shall be bound by the terms of this Interim Order and the Final Order to the same extent as the Debtors, including with respect to the Stipulations.

26. Releases. Subject to the rights and limitations set forth in paragraph 27 with respect to the Prepetition Secured Parties, effective upon entry of this Interim Order, each of the Debtors and the Estates, on their own behalf and on behalf of each of their predecessors, their successors and assigns shall, to the maximum extent permitted by applicable law, unconditionally, irrevocably and fully forever release, remise, acquit, relinquish, irrevocably waive and discharge each of the

DIP Lenders, the DIP Agents and, subject to the entry of the Final Order, the Prepetition Secured Parties, and each of their respective former, current or future officers, employees, directors, agents, representatives, owners, members, partners, financial advisors, legal advisors, shareholders, managers, consultants, accountants, attorneys, affiliates, predecessors and predecessors in interest, each solely in their capacities as such (the "Released Parties"), of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness and obligations, rights, assertions, allegations, actions, suits, controversies, proceedings, losses, damages, injuries, attorneys' fees, costs, expenses or judgments of every type, whether known, unknown, asserted, unasserted, suspected, unsuspected, accrued, unaccrued, fixed, contingent, pending or threatened including, without limitation, all legal and equitable theories of recovery, arising under common law, statute or regulation or by contract (under U.S. laws), of every nature and description that exist on the date hereof arising out of, relating to or in connection with any of the (a) the Prepetition Secured Facilities Documents or the transactions contemplated under such documents and (b) the DIP Documents or the transactions contemplated under such documents, including, without limitation, (i) any so-called "lender liability" or equitable subordination claims or defenses, (ii) any and all claims and causes of action arising under the Bankruptcy Code and (iii) any and all claims and causes of action regarding the validity, priority, perfection or availability of the liens of the Prepetition Secured Parties (including Avoidance Actions), other than claims and causes of action arising from the gross negligence, fraud, bad faith or willful misconduct of the Released Parties.

27. Effect of Stipulations on Third Parties.

(a) The Debtors' acknowledgments, stipulations and releases set forth in paragraph G and 26 of this Interim Order (collectively, the "Stipulations") shall be binding on the

Debtors, the Estates and their respective representatives, successors and assigns in all circumstances. The Stipulations contained in this Interim Order shall be binding upon all other parties in interest and all of their respective successors and assigns, including any chapter 7 or chapter 11 trustee (a "Trustee") and any statutory or non-statutory committees appointed or formed in the Chapter 11 Cases, including the Creditors' Committee (if any) and any other person or entity acting or seeking to act on behalf of the Estates in all circumstances and for all purposes, unless the Creditors' Committee, if any, or any other party in interest (including any Trustee), in each case, with requisite standing (in each case to the extent requisite standing is obtained pursuant to an order of this Court entered prior to the Challenge Deadline and subject in all respects to any agreement or applicable law that may limit or affect such entity's right or ability to commence such proceeding), has duly and timely filed an adversary proceeding or contested matter (each, a "Challenge") challenging the validity, perfection, enforceability, allowability, priority or extent of the obligations in respect of the Prepetition Secured Facilities Documents or otherwise asserting or prosecuting any Avoidance Actions or any other claims, counterclaims or causes of action, objections, contests or defenses against the Prepetition Secured Parties in connection with any matter related to the Prepetition Secured Facilities Documents (collectively, the "Claims and Defenses") by no later than seventy five (75) calendar days from the entry of this Interim Order (the "Challenge Deadline" and, such period, the "Challenge Period"); *provided*, *further*, that any Trustee appointed prior to the expiration of the Challenge Period will have the longer of (x) the remaining Challenge Period and (y) thirty (30) days from the date of such Trustee's appointment to commence a Challenge. The timely filing of a motion seeking standing to file a Challenge before the termination of the Challenge Period that attaches a complaint with respect to such Challenge shall toll the Challenge Deadline only as to the party that timely filed such standing

motion and only with respect to the specific Challenges set forth in the complaint attached to such standing motion until such motion is resolved or adjudicated by the Court. Any pleadings, including, but not limited to, the complaint, filed in any Challenge proceeding shall set forth with specificity the basis for such Challenge (and any Challenge not so specified prior to the Challenge Deadline shall be deemed forever waived, released and barred). The Court may fashion any appropriate remedy following a successful Challenge.

(b) If no Challenge is timely and properly filed prior to the expiration of the Challenge Period or the Court does not rule in favor of the plaintiff in any such proceeding, then without further order of this Court (x) the obligations in respect of the Prepetition Secured Facilities Documents shall constitute allowed claims, not subject to any Claims and Defenses (whether characterized as a counterclaim, setoff, subordination, recharacterization, defense, avoidance, contest, attack, objection, recoupment, reclassification, reduction, disallowance, recovery, disgorgement, attachment, "claim" (as defined by Bankruptcy Code section 101(5)), impairment, subordination (whether equitable, contractual or otherwise) or other challenge of any kind pursuant to the Bankruptcy Code or applicable nonbankruptcy law), for all purposes in these Chapter 11 Cases and any subsequent chapter 7 case; (y) the Prepetition Liens shall not be subject to any other or further Challenge, including, without limitation, any Claims and Defenses, which shall be deemed to be forever waived and barred, and all parties in interest shall be enjoined from seeking to exercise the rights of the Estates, including any successor thereto (including any estate representative or a Trustee, whether such Trustee is appointed or elected prior to or following the expiration of the Challenge Period); and (z) the Stipulations shall be of full force and effect and forever binding upon the applicable Debtor's estate and all creditors, interest holders and other parties in interest in these Chapter 11 Cases and any Successor Cases.

(c) If any Challenge is timely filed prior to the expiration of the Challenge Period, (i) the Stipulations contained in this Interim Order shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on the Creditors' Committee, if any, any other statutory or non-statutory committees appointed or formed in the Chapter 11 Cases, any other person or party in these cases, including any Trustee, and any other person or entity acting or seeking to act on behalf of the Estates, except as to any such findings and admissions that were expressly and successfully challenged in such Challenge as set forth in a final, non-appealable order of a court of competent jurisdiction, and (ii) any Claims and Defenses not brought in a timely filed Challenge shall be forever barred; *provided* that, if and to the extent any Challenges to a particular Stipulation or admission are withdrawn, denied or overruled by a final non-appealable order, such Stipulation also shall be binding on the Estates and all parties in interest. Nothing in this Interim Order vests or confers on any person, including a Creditors' Committee (if any), standing or authority to pursue any cause of action belonging to the Debtors or the Estates, including, without limitation, Challenges with respect to the Stipulations, and all rights to object to such standing are expressly reserved.

28. Expenses and Indemnification of DIP Agents and the DIP Lenders.

(a) All reasonable and documented out-of-pocket expenses and administrative fees and "seasoning fees," to the extent applicable, for each of the DIP Agents and the DIP Lenders (as set forth below), including in connection with (i) the preparation, negotiation and execution of the DIP Documents, whether or not the DIP Facilities are successfully consummated; (ii) the syndication and funding of the DIP Loans; (iii) the creation, perfection or protection of the liens under the DIP Documents (including all search, filing and recording fees), if any; and (iv) the ongoing administration of the DIP Documents (including the preparation, negotiation and

execution of any amendments, consents, waivers, assignments, restatements or supplements thereto and the enforcement, collection and repayment of the DIP Obligations contemplated thereunder) (collectively, the "DIP Fees and Expenses"), are to be paid by the Loan Parties in accordance with paragraph 29, including, for the avoidance of doubt, all reasonable documented fees, costs and expenses of (1) counsel to the DIP Term Loan Agent, Schulte Roth & Zabel LLP, Morris James LLP, and one local counsel in each other appropriate jurisdiction, (2) counsel to the Ad Hoc Group, Akin Gump Strauss Hauer & Feld LLP, Potter Anderson & Corroon LLP, and one local counsel in each other appropriate jurisdiction (and, in the case of an actual or perceived conflict of interest where the person affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm or counsel for all such affected persons (taken as a whole)), (3) the investment bankers to the Ad Hoc Group, Perella Weinberg Partners LP, (4) counsel to the DIP ABL Agent, Otterbourg P.C., and one local counsel in each appropriate jurisdiction (and, in the case of an actual or perceived conflict of interest where the person affected by such conflict informs the Borrower of such conflict and thereafter retains its own counsel, of another firm or counsel for all such affected persons (taken as a whole)), and (5) the financial advisor to the DIP ABL Agent, PKF Clear Thinking LLC.

(b) In addition, the Loan Parties will indemnify the DIP Lenders, the DIP Agents and their respective Indemnitees or Indemnified Persons (as such terms are defined in the applicable DIP Documents) (the "Indemnified Parties"), and hold them harmless from and against all reasonable and documented out-of-pocket costs, expenses (with respect to legal fees and expenses, limited to the reasonable and documented out-of-pocket legal fees and expenses of one primary counsel and one local counsel for each of (i) the DIP Term Loan Agent, (ii) the DIP ABL Agent, and (iii) the Ad Hoc Group), liabilities arising out of or relating to the transactions

contemplated hereby and any actual or proposed use of the proceeds of any loans made under the DIP Facilities, and such other liabilities as set forth in, in accordance with and subject to the limitations of the DIP Documents; *provided* that no Indemnified Parties will be indemnified for any losses, claims, damages, liabilities or related expenses to the extent determined by a final, non-appealable judgment of a court of competent jurisdiction to have been incurred solely by reason of the gross negligence or willful misconduct of such Indemnified Parties.

29. Payment of Fees and Expenses. The payment of the fees, expenses and disbursements pursuant to this Interim Order (to the extent incurred after the Petition Date) shall be made after ten (10) business days (the "Review Period") (which time period may be extended by the applicable professional) following the receipt by: (i) counsel for the Debtors, (ii) counsel for the Creditors' Committee, if any, and (iii) the U.S. Trustee (collectively, the "Fee Notice Parties") of invoices therefor (the "Invoiced Fees") and without the necessity of filing formal fee applications with the Court, including such amounts arising before, on or after the Petition Date. The invoices for such fees and expenses shall not be required to comply with any particular format, need not contain individual time entries or detail, may be in summary form only, and may include redactions to protect privileged, confidential or proprietary information. The Fee Notice Parties may object to any portion of the Invoiced Fees (the "Disputed Invoiced Fees") within the Review Period by filing with the Court a motion or other pleading, on at least ten (10) days' prior written notice of any hearing on such motion or other pleading, setting forth the specific objections to the Disputed Invoiced Fees in reasonable narrative detail and the bases for such objections; *provided* that only the Disputed Invoiced Fees shall not be paid until the objection is resolved by the applicable parties in good faith or by order of the Court; *provided*, *further*, that payment of any undisputed portion of Invoiced Fees shall be promptly paid within five (5) business days following

the expiration of the Review Period. If no objection to the Invoiced Fees is filed within the Review Period, then such Invoiced Fees shall be promptly paid, without further approval of, or application to, the Court or notice to any other party, and, in any case, within five (5) business days following the expiration of the Review Period and shall not be subject to any further review, challenge or disgorgement. Any and all fees, costs and expenses paid prior to the Petition Date by any of the Debtors (i) to the DIP Agents or the other DIP Secured Parties (or any of their respective professionals) or (ii) to the Prepetition Secured Parties (or any of their respective professionals), are hereby approved in full and shall not be subject to recharacterization, avoidance, subordination, disgorgement or any similar form of recovery by the Debtors or any other person. The DIP Fees and Expenses and the Adequate Protection Fees and Expenses incurred prior to, and which are unpaid as of, the Closing Date (as defined in the applicable DIP Documents) shall be paid indefeasibly by the Debtors upon the occurrence of the Closing Date without the applicable parties being required to deliver an invoice to the Review Parties for a Review Period as set forth in this paragraph 29. For the avoidance of doubt, in the event an Event of Default has occurred or is occurring under the DIP Documents, any and all fees and expenses of the DIP Agents shall be due and payable from any and all respective DIP Collateral without further order of the Court.

30. Limitation on Use of the DIP Facilities, the DIP Collateral and the Prepetition Collateral (Including Cash Collateral). Notwithstanding anything herein or in any other order of this Court to the contrary, neither of the DIP Facilities (including any disbursements set forth in the Approved Budget or obligations benefitting from the Carve Out), the DIP Collateral, the Prepetition Collateral, any Cash Collateral or the Carve Out (other than the Investigation Budget Cap (as defined herein)) may be used to (a) investigate, analyze, commence, prosecute, threaten, litigate, object to, contest or challenge in any manner or raise any defenses to the validity,

perfection, priority, extent or enforceability of any amount due under the DIP Documents, the Prepetition Secured Facilities Documents or the liens or claims granted under this Interim Order, the DIP Documents or the Prepetition Secured Facilities Documents, including the Prepetition ABL Liens, Prepetition Term Loan Liens and the DIP Liens, or any mortgage, security interest or lien with respect thereto, or any other rights or interests or replacement liens with respect thereto or any other rights or interests of any of the DIP Agents, the other DIP Secured Parties or the Prepetition Secured Parties, (b) assert any claims and defenses, including any Avoidance Actions, or any other causes of action against the DIP Agent, the DIP Lenders, the Prepetition Secured Parties or, in each case, their respective agents, affiliates, subsidiaries, directors, officers, employees, representatives, attorneys or advisors, (c) prevent, hinder or otherwise delay the DIP Agents' or the Prepetition Secured Agents' assertion, enforcement or realization on the Prepetition Collateral or the DIP Collateral, in accordance with the DIP Documents, the Prepetition Secured Facilities Documents (subject to the Prepetition Intercreditor Agreements) or this Interim Order, the exercise of rights by the DIP Agents or the Prepetition Secured Parties once an Event of Default has occurred and is continuing or any other rights or interest of any of the DIP Agents, the DIP Lenders or the Prepetition Secured Parties following the occurrence of a DIP Termination Event and after the Notice Period, (d) seek to subordinate (other than to the Carve Out or as set forth in this Interim Order) or recharacterize the DIP Obligations or any of the Prepetition Secured Obligations or to disallow or avoid any claim, mortgage, security interest, lien or replacement lien or payment thereunder, (e) seek to modify any of the rights granted to the DIP Agents, the DIP Lenders or any of the Prepetition Secured Parties hereunder or under the DIP Documents or the Prepetition Secured Facilities Documents, in the case of each of the foregoing clauses (a) through (e), without such party's prior written consent, (f) pay any amount on account of any claims arising

prior to the Petition Date unless such payments are approved by an order of this Court or otherwise permitted under the DIP Documents, or (g) pay Allowed Professional Fees, disbursements, costs or expenses incurred by any person, including, without limitation, the Creditors' Committee (if any), in connection with any of the foregoing. The "Investigation Budget Cap" means a cap of $75,000.00 with respect to Allowed Professional Fees to be incurred by the Creditors' Committee (if any) under the investigation budget.

31. Loss or Damage to Collateral. Nothing in this Interim Order, the DIP Documents or any other documents related to these transactions shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Agents, any DIP Lender or any Prepetition Secured Parties of any liability for any claims arising from the prepetition or postpetition activities of the Debtors in the operation of their business, or in connection with their restructuring efforts. So long as the DIP Agents, the DIP Lenders and the Prepetition Secured Parties comply with their obligations under the DIP Documents and this Interim Order and their obligations, if any, under applicable law (including the Bankruptcy Code), (a) the DIP Agents, the DIP Lenders and the Prepetition Secured Parties shall not, in any way or manner, be liable or responsible for (i) the safekeeping of the DIP Collateral, (ii) any loss or damage thereto occurring or arising in any manner or fashion from any cause, (iii) any diminution in the value thereof or (iv) any act or default of any carrier, servicer, bailee, custodian, forwarding agency or other person and (b) all risk of loss, damage or destruction of the DIP Collateral shall be borne by the Debtors.

32. Reservation of Rights Under the Prepetition Intercreditor Agreements. Pursuant to Bankruptcy Code section 510, the Prepetition Intercreditor Agreements and any other applicable intercreditor or subordination provisions contained in any of the Prepetition Secured Facilities Documents (i) shall remain in full force and effect, (ii) shall continue to govern the relative

priorities, rights and remedies of the Prepetition Secured Parties (including the relative priorities, rights and remedies of such parties with respect to the replacement liens and administrative expense claims and superpriority administrative expense claims granted, or amounts payable, by the Debtors under this Interim Order or otherwise and the modifications of the automatic stay) and (iii) shall not be deemed to be amended, altered or modified by the terms of this Interim Order or the DIP Documents, unless expressly set forth herein or therein. Failure to reference the Prepetition Intercreditor Agreements in any provision herein or in the DIP Documents shall not limit the effectiveness of the Prepetition Intercreditor Agreements in any respect.

33. Interim Order Governs. In the event of any inconsistency between the provisions of this Interim Order and the DIP Documents, the provisions of this Interim Order shall govern.

34. Binding Effect; Successors and Assigns. The DIP Documents and the provisions of this Interim Order, including all findings herein, shall be binding upon all parties in interest in these Chapter 11 Cases, including, without limitation, the DIP Agents, the DIP Lenders, the Prepetition Secured Parties, the Creditors' Committee (if any), any non-statutory committees appointed or formed in these Chapter 11 Cases, the Debtors and their respective successors and assigns (including any chapter 7 or chapter 11 trustee hereinafter appointed or elected for the estate of any of the Debtors, an examiner appointed pursuant to Bankruptcy Code section 1104 or any other fiduciary appointed as a legal representative of any of the Debtors or with respect to the property of the estate of any of the Debtors) and shall inure to the benefit of the DIP Agents, the DIP Lenders, the Prepetition Secured Parties and the Debtors and their respective successors and assigns; *provided*, *however*, that the DIP Agents, the DIP Lenders and the Prepetition Secured Parties shall have no obligation to permit the use of the Prepetition Collateral (including Cash

Collateral) or to extend any financing to any chapter 7 trustee, chapter 11 trustee or similar responsible person appointed for the Estates.

35. Limitation of Liability. In determining to make any loan or other extension of credit under the DIP Documents, to permit the use of Cash Collateral or in exercising any rights or remedies as and when permitted pursuant to this Interim Order or the DIP Documents, none of the DIP Agents, the DIP Lenders and the Prepetition Secured Parties shall (i) be deemed to be in "control" of the operations or participating in the management of the Debtors; (ii) owe any fiduciary duty to the Debtors, their respective creditors, shareholders or estates; and (iii) be deemed to be acting as a "Responsible Person" or "Owner" or "Operator" with respect to the operation or management of the Debtors (as such terms or similar terms are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq., as amended, or any similar federal or state statute).

36. Master Proof of Claim.

(a) Notwithstanding any order entered by this Court in relation to the establishment of a bar date in any of the Chapter 11 Cases or any Successor Cases to the contrary, the DIP Agents, the DIP Lenders and the Prepetition Secured Parties will not be required to file proofs of claim or requests for administrative expenses in any of the Chapter 11 Cases or Successor Cases for any claims allowed herein, including any claims arising under the DIP Documents or the Prepetition Secured Facilities Documents. The Stipulations, admissions and acknowledgments and the provisions of this Interim Order shall be deemed to constitute a timely filed proof of claim and a timely filed request for administrative expenses for the DIP Agents, the DIP Lenders and the Prepetition Secured Parties with regard to all claims allowed herein, including any claims arising under the DIP Documents or the Prepetition Secured Facilities Documents. Any order entered by

the Court in relation to the establishment of a bar date in any of the Cases or Successor Cases shall not apply to any claim of the DIP Agents, the DIP Lenders or the Prepetition Secured Parties.

(b) In order to facilitate the processing of claims, to ease the burden upon the Court and to reduce an unnecessary expense to the Estates, each of the DIP Agents and the Prepetition Secured Agents is authorized, but not directed, in their sole discretion, to file in the Debtors' lead chapter 11 case, *In re American Tire Distributors, Inc.*, Case No. 24-12391 (the "Lead Case"), a single, master proof of claim on behalf of its respective DIP Secured Parties or Prepetition Secured Parties, as applicable, on account of any and all of their respective claims arising under the applicable DIP Documents and Prepetition Secured Facilities Documents and hereunder (each, a "Master Proof of Claim") against each applicable Debtor. Upon the filing of a Master Proof of Claim by a DIP Agent and a Prepetition Secured Agent in the Lead Case, the applicable DIP Secured Parties and Prepetition Secured Parties, and each of their respective successors and assigns, shall be deemed to have filed a proof of claim and a request for administrative expenses against each of the Debtors in the amount set forth in such Master Proof of Claim for such DIP Secured Parties and Prepetition Secured Parties in respect of their claims against each of the Debtors of any type or nature whatsoever with respect to the applicable DIP Documents and Prepetition Secured Facilities Documents, and such Master Proof of Claim shall be treated as if such entity had filed a separate proof of claim and a separate request for administrative expense in each of these Chapter 11 Cases. The Master Proofs of Claim shall not be required to identify any DIP Secured Party or Prepetition Secured Party by its name (other than the applicable DIP Agent or Prepetition Secured Agent) or identify whether any DIP Secured Party or Prepetition Secured Party acquired its claim from another party and the identity of any such party or to be amended to reflect a change in the holders of the claims set forth therein or a

reallocation among such holders of the claims asserted therein resulting from the transfer of all or any portion of such claims. The provisions of this paragraph 36 and each Master Proof of Claim are intended solely for the purpose of administrative convenience and shall not affect the right of each DIP Secured Party and Prepetition Secured Party (or its successors in interest) to vote separately on any plan proposed in these Chapter 11 Cases. The Master Proofs of Claim shall not be required to attach any instruments, agreements or other documents evidencing the obligations owing by each of the Debtors to the applicable DIP Secured Parties and Prepetition Secured Parties, which instruments, agreements or other documents will be provided upon written request to counsel to the DIP Agent and Prepetition Secured Agents, as applicable. Any Master Proof of Claim filed by any DIP Agent and Prepetition Secured Agent shall be deemed to be in addition to and not in lieu of any other proof of claim or request for administrative expenses that may be filed by any of the DIP Secured Parties and Prepetition Secured Parties.

37. Information and Other Covenants. The Loan Parties shall comply in all material respects with the reporting requirements set forth in the DIP Documents. Until such time as all DIP Obligations are Paid in Full, the Debtors shall continue to use and maintain the cash management system in effect as of the Petition Date (the "Cash Management System"), as modified by this Interim Order and any order of the Court authorizing the continued use of the Cash Management System that is acceptable to the DIP Agents, the Required DIP ABL Lenders and the Required DIP Term Lenders, in accordance with the DIP Documents. Except as provided for in the DIP Documents, the Debtors shall not open any new deposit or securities account that is not subject to the liens and security interests of each of the DIP Secured Parties and any such accounts shall be subject to the lien priorities and other provisions set forth in this Interim Order.

38. Insurance. To the extent that any of the Prepetition Secured Parties is listed as additional insured and/or loss payee under the Borrower's or Guarantors' insurance policies, the DIP Agents are also deemed to be the additional insured and/or loss payee under such insurance policies and shall act in that capacity and distribute any proceeds recovered or received in respect of any such insurance policies, in each case, subject to the Carve Out, first, to the payment in full of the DIP Obligations and second, to the payment of the obligations arising under the Prepetition Secured Facilities Documents, in each case subject to and consistent with the relative rights and priorities set forth on **Exhibit 2** hereto and the Prepetition Intercreditor Agreements.

39. Effectiveness. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon entry hereof. Notwithstanding Bankruptcy Rules 4001(a)(3), 6004(h), 6006(d), 7062 or 9014 or any Local Bankruptcy Rule, or Rule 62(a) of the Federal Rules of Civil Procedure, this Interim Order shall be immediately effective and enforceable upon its entry and there shall be no stay of execution or effectiveness of this Interim Order.

40. Headings. Section headings used herein are for convenience only and are not to affect the construction of or to be taken into consideration in interpreting this Interim Order.

41. Payments Held in Trust. Except as expressly permitted in this Interim Order or the DIP Documents and subject to the Carve Out in all respects, in the event that any person or entity receives any payment on account of a security interest in DIP Collateral, receives any DIP Collateral or any proceeds of DIP Collateral or receives any other payment with respect thereto from any other source prior to indefeasible payment in full in cash of all DIP Obligations under the DIP Documents, and termination of the commitments in accordance with the DIP Documents, such person or entity shall be deemed to have received, and shall hold, any such payment or

proceeds of DIP Collateral in trust for the benefit of the DIP Agents and the DIP Lenders based on the rights and priorities set forth on **Exhibit 2** hereto and shall immediately turn over such proceeds to the applicable DIP Agent, or as otherwise instructed by this Court, for application in accordance with the DIP Documents and this Interim Order based on the rights and priorities set forth on **Exhibit 2** hereto.

42. Credit Bidding. Upon entry of this Interim Order, subject to Bankruptcy Code section 363(k), the terms of the DIP Documents, the applicable provisions of the Prepetition Intercreditor Agreements, and the rights and the lien priorities set forth on **Exhibit 2** attached hereto: (i) the DIP ABL Agent (at the direction of the Required DIP ABL Lenders) shall have the unconditional right to credit bid the aggregate outstanding DIP ABL Obligations and Prepetition ABL Obligations, including any accrued interest and expenses, during any sale of Debtors' assets (in whole or in part), including without limitation, sales occurring pursuant to Bankruptcy Code section 363 or included as part of any restructuring plan subject to confirmation under Bankruptcy Code section 1129(b)(2)(A)(ii)-(iii) (any of the foregoing sales or dispositions, a "Sale"), on a dollar-for-dollar basis; (ii) the DIP Term Loan Agent (x) at the direction of the Required Consenting New Money DIP Lenders shall have the unconditional right to credit bid the aggregate outstanding New Money DIP Term Loan Obligations, including the OID, premiums, any accrued interest, fees and expenses, (y) at the direction of the Required Consenting 2024 FILO Roll-Up Lenders shall have the unconditional right to credit bid the aggregate outstanding 2024 FILO Roll-Up DIP Obligations, including any accrued interest, fees and expenses, and (z) at the direction of the Required Consenting Roll-Up Term Loan Lenders shall have the unconditional right to credit bid the aggregate outstanding Prepetition Term Loan Roll-Up DIP Obligations, including any accrued interest, fees and expenses, in a Sale (including any deposit in connection with such sale),

on a dollar-for-dollar basis; (iii) the Prepetition Term Loan Agent (at the direction of the Required Lenders (as defined in the Prepetition Term Loan Credit Agreement)) shall have the unconditional right to credit bid the aggregate outstanding Prepetition Term Loan Obligations, including any accrued interest, fees and expenses (including any amounts on account of Term Loan Adequate Protection 507(b) Claims), in a Sale (including any deposit in connection with such sale), on a dollar-for-dollar basis; and (iv) if any Sale includes both prepetition or postpetition ABL Priority Collateral and Term Loan Priority Collateral and the DIP Secured Parties and Prepetition Secured Parties, as applicable, are unable after negotiating in good faith to agree on the allocation of the purchase price between the prepetition or postpetition ABL Priority Collateral and Term Loan Priority Collateral, any of their respective agents may apply to the Court to make a determination of such allocation consistent with the terms of the applicable Prepetition Intercreditor Agreements, this Interim Order and the Final Order. The DIP Agents and Prepetition Secured Agents shall have the absolute right to assign, sell or otherwise dispose of their respective rights to credit bid to any acquisition entity or joint venture formed in connection with such bid. Any of the DIP Agents and Prepetition Secured Agents, in their respective capacities as such, shall be deemed to be a qualified bidder (or such analogous term or capacity) in connection with any Sale, and the Debtors shall not object to any of the DIP ABL Agent, DIP Term Loan Agent or Prepetition Term Loan Agent credit bidding the full amount of the then outstanding DIP ABL Obligations and Prepetition ABL Obligations, DIP Term Loan Obligations or Prepetition Term Loan Obligations (including any Adequate Protection Obligations, as applicable), respectively.

43. Joint and Several. The Debtors are jointly and severally liable for the DIP Obligations and all other obligations hereunder.

44. No Waiver by Failure to Seek Relief. The failure of the DIP Agents, DIP Lenders or Prepetition Secured Parties to seek relief or otherwise exercise their rights and remedies under this Interim Order, the DIP Documents, the Prepetition Secured Facilities Documents or applicable law, as the case may be, shall not constitute a waiver of any of the rights hereunder, thereunder or otherwise of the DIP Agents, DIP Lenders or Prepetition Secured Parties.

45. Necessary Action. The Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Interim Order and the transactions contemplated hereby.

46. Retention of Jurisdiction. The Court shall retain jurisdiction to enforce the provisions of this Interim Order.

47. Final Hearing. The Final Hearing is scheduled for [•], 2024 at [•] [a/p].m. (Prevailing Eastern Time) before this Court; *provided* that the Final Hearing may be adjourned or otherwise postponed upon the Debtors' filing of a notice of such adjournment.

48. Objections. Any party in interest objecting to the relief sought at the Final Hearing shall file and serve written objections, which objections shall be served upon (a) the Debtors, 12220 Herbert Wayne Court, Huntersville, NC 28078, Attn.: Jim Bienias (jbienias@alixpartners.com); (b) proposed co-counsel to the Debtors (i) Kirkland & Ellis LLP, 333 West Wolf Point Plaza, Chicago IL 60654, Attn.: Chad Husnick (chad.husnick@kirkland.com), Dave Gremling (dave.gremling@kirkland.com) and 601 Lexington Avenue, New York, NY 10022, Attn.: Melissa Mertz (melissa.mertz@kirkland.com); and (ii) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, Wilmington, Delaware 19801, Attn.: Laura Davis Jones (ljones@pszjlaw.com), Timothy P. Cairns (tcairns@pszjlaw.com) and Edward Corma (ecorma@pszjlaw.com); (c) the United States Trustee,

844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn.: Richard L. Schepacarter (richard.schepacarter@usdoj.gov); (d) counsel to certain of the DIP Term Lenders and the Ad Hoc Group, Akin Gump Strauss Hauer & Feld LLP, Bank of America Tower, 1 Bryant Park, New York, New York 10036, Attn.: Philip C. Dublin (pdublin@akingump.com) and Naomi Moss (nmoss@akingump.com); (e) local counsel to certain of the DIP Term Lenders and the Ad Hoc Group, Potter Anderson & Corroon LLP, 1313 N. Market Street, 6th Floor, Wilmington, Delaware 19801, Attn.: M. Blake Cleary (bcleary@potteranderson.com); (f) counsel to the DIP Term Loan Agent, Schulte Roth & Zabel LLP, 919 Third Avenue, New York, NY 10022, Attn: Douglas S. Mintz (douglas.mintz@srz.com) and Reuben E. Dizengoff (reuben.dizengoff@srz.com); (g) counsel to the DIP ABL Agent and the Prepetition ABL Agent, Otterbourg P.C., 230 Park Avenue, New York, New York 10169, Attn.: Daniel F. Fiorillo (dfiorillo@otterbourg.com) and Chad B. Simon (csimon@otterbourg.com); and (h) any statutory committee appointed in these Chapter 11 Cases, in each case to allow actual receipt by the foregoing no later than **[•], 2024 at [•] [a/p].m. (Prevailing Eastern Time).**

49. *Notice of Entry of Interim Order*. The Debtors shall promptly serve copies of this Interim Order to the parties having been given notice of the Interim Hearing, to any party that has filed a request for notices with this Court and to the Creditors' Committee, if and after the same has been appointed, or such Creditors' Committee's counsel, if the same shall have been appointed.

Exhibit 1

Prepetition Lien Priorities

Term Loan Priority Collateral	ABL Priority Collateral
Prepetition Term Loan Liens 2024 Delayed Draw FILO Liens	Prepetition ABL Liens 2024 Delayed Draw FILO Liens[1]
Prepetition ABL Liens	Prepetition Term Loan Liens

[1] Subject to the applicable provisions of the Prepetition ABL-FILO Credit Agreement and other applicable Prepetition ABL-FILO Credit Documents governing priority of rights and payments among the Prepetition ABL Agent and Prepetition ABL Lenders, on one hand, and the 2024 Delayed Draw FILO Secured Parties, on the other hand.

Exhibit 2

Lien Priorities on DIP Collateral

The DIP Liens, the Adequate Protection Liens and the Prepetition Liens shall in each case be subject to the Carve Out and otherwise have the following priority on the DIP Collateral and the applicable Prepetition Collateral at the applicable Debtor entities obligated on the DIP Obligations or the applicable Prepetition Secured Obligations, in each case subject to the terms of the Prepetition Intercreditor Agreements and any other intercreditor agreement, as applicable:

Priority	Term Loan Priority Collateral	ABL Priority Collateral
1.	Carve Out	Carve Out
2.	Permitted Liens	Permitted Liens
3.	New Money DIP Term Loan Liens	DIP ABL Liens
4.	2024 FILO Roll-Up DIP Loan Liens Term Loan Roll-Up DIP Loan Liens	ABL Adequate Protection Liens
5.	Term Loan Adequate Protection Liens	Prepetition ABL Liens
6.	Prepetition Term Loan Liens	2024 FILO Roll-Up DIP Loan Liens
7.	DIP ABL Liens	New Money DIP Term Loan Liens
8.	ABL Adequate Protection Liens	Term Loan Roll-Up DIP Loan Liens
9.	Prepetition ABL Liens	Term Loan Adequate Protection Liens
10.	--	Prepetition Term Loan Liens

Exhibit 3

Initial Approved Budget

AMERICAN TIRE DISTRIBUTORS, INC., et al., Debtors

		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	
	Week Start Date	**Oct-19**	**Oct-26**	**Nov-02**	**Nov-09**	**Nov-16**	**Nov-23**	**Nov-30**	**Dec-07**	**Dec-14**	**Dec-21**	**Dec-28**	**Jan-04**	**Jan-11**	**Oct-19**
	Week End Date	**Oct-25**	**Nov-01**	**Nov-08**	**Nov-15**	**Nov-22**	**Nov-29**	**Dec-06**	**Dec-13**	**Dec-20**	**Dec-27**	**Jan-03**	**Jan-10**	**Jan-17**	**Jan-17**
	Operating Cashflows														
1	Receipts	$ 69,653	$ 49,581	$ 59,373	$ 94,650	$ 83,887	$ 55,192	$ 57,999	$ 110,691	$ 83,028	$ 45,187	$ 40,601	$ 78,462	$ 84,082	**$ 912,386**
2	Inventory vendor payments	-	(47,016)	(45,675)	(91,136)	(71,014)	(45,366)	(31,560)	(81,680)	(43,843)	(29,844)	(30,348)	(39,892)	(39,569)	**(596,943)**
3	Operating expenses	(12,200)	(24,311)	(21,943)	(23,572)	(13,082)	(21,846)	(22,759)	(22,206)	(10,769)	(20,860)	(21,636)	(21,424)	(10,995)	**(247,603)**
4	**Total Operating Cashflows**	**$ 57,453**	**$ (21,747)**	**$ (8,245)**	**$ (20,058)**	**$ (209)**	**$ (12,019)**	**$ 3,680**	**$ 6,805**	**$ 28,416**	**$ (5,517)**	**$ (11,383)**	**$ 17,146**	**$ 33,519**	**$ 67,840**
	Non-Operational Cashflow														
5	Professional Fee Escrow	-	(4,420)	(2,525)	(2,325)	(2,325)	(4,698)	(2,060)	(1,860)	(1,860)	(1,860)	(4,770)	(1,310)	(1,110)	**(31,122)**
6	Other Chapter 11 items	(1,000)	-	-	-	-	-	-	-	-	-	-	-	-	**(1,000)**
7	Debt related & Interest Payments	(1,200)	-	-	-	(6,279)	-	-	-	(6,105)	-	-	-	(804)	**(14,388)**
8	**Total Non-Operational Cashflow**	**$ (2,200)**	**$ (4,420)**	**$ (2,525)**	**$ (2,325)**	**$ (8,604)**	**$ (4,698)**	**$ (2,060)**	**$ (1,860)**	**$ (7,965)**	**$ (1,860)**	**$ (4,770)**	**$ (1,310)**	**$ (1,914)**	**$ (46,510)**
9	**Total Net Cash Flow**	**$ 55,253**	**$ (26,166)**	**$ (10,770)**	**$ (22,383)**	**$ (8,813)**	**$ (16,717)**	**$ 1,620**	**$ 4,945**	**$ 20,452**	**$ (7,377)**	**$ (16,153)**	**$ 15,836**	**$ 31,605**	**$ 21,330**
	Liquidity														
	Cash Balance - Start	**31,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**31,355**
10	Net Cash Flow (+/-)	55,253	(26,166)	(10,770)	(22,383)	(8,813)	(16,717)	1,620	4,945	20,452	(7,377)	(16,153)	15,836	31,605	**21,330**
11	DIP Funding	85,000	-	-	-	37,495	30,000	-	-	-	30,000	-	-	30,000	**212,495**
12	ABL DIP Revolver (+/-)	(150,253)	26,166	10,770	22,383	(28,682)	(13,283)	(1,620)	(4,945)	(20,452)	(22,623)	16,153	(15,836)	(61,605)	**(243,825)**
	Cash Balance - End	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**	**21,355**
13	ABL Excess Availability	150,264	93,600	54,227	25,719	27,636	33,237	34,955	47,463	28,969	37,141	26,707	30,499	57,981	
14	Funds available in DIP Escrow	37,495	37,495	37,495	37,495	-	95,000	95,000	95,000	95,000	65,000	65,000	65,000	35,000	
15	**Total Liquidity**	**209,114**	**152,450**	**113,078**	**84,569**	**48,992**	**149,592**	**151,310**	**163,818**	**145,324**	**123,497**	**113,063**	**116,855**	**114,336**	

Exhibit 4

DIP ABL Credit Agreement

[TO COME]

Exhibit 5

DIP Term Loan Term Sheet

Senior Secured Debtor in Possession Term Loan Facility

Summary of Terms and Conditions[1]

Set forth below is a summary of the principal terms and conditions for the DIP Term Loan Facility (as defined herein). The summary of terms and conditions (together with all annexes, exhibits, and schedules attached hereto, as may be amended, amended and restated, supplemented or otherwise modified from time to time, this "**DIP Term Sheet**") shall be a binding agreement with respect to the DIP Term Loans (as defined herein) but does not purport to summarize all of the terms, conditions, representations, warranties and other provisions with respect to the DIP Term Loan Facility which would be contained in the DIP Term Loan Facility Documents (as defined herein). The obligations of the New Money DIP Lenders to provide the New Money DIP Term Loans pursuant to this DIP Term Sheet is conditioned upon entry of the DIP Orders (as defined herein) and the execution and delivery of the Restructuring Support Agreement (as defined herein) to which this DIP Term Sheet is attached as Exhibit C by all parties hereto and shall be subject to the terms and conditions set forth herein.

Borrower:	American Tire Distributors, Inc., a Delaware corporation ("**Company**" or "**Borrower**"), in its capacity as a debtor and debtor in possession in a case (the "**Borrower's Chapter 11 Case**") under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**") to be filed in the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**").
Guarantors:	The obligations of the Borrower under the DIP Term Loan Facility (the "**Borrower Obligations**) will be guaranteed by ATD New Holdings III, Inc., Borrower's parent company ("**Parent**"), and the Borrower's subsidiaries identified on Schedule 1 attached hereto, including, for the avoidance of doubt, all such subsidiaries that are guarantors under the Term Loan Credit Agreement referred to below (collectively, the "**Guarantors**" and, together with Borrower, the "**Loan Parties**"; and the obligations of the Loan Parties, including, for the avoidance of doubt, fees and expenses of the DIP Agents (as defined herein) that are payable as set forth herein, collectively, the "**DIP Term Loan Obligations**"), each of which will be a debtor and a debtor in possession in cases commenced under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (collectively, the "**Guarantors' Chapter 11 Cases**" and, together with the Borrower's Case, collectively, the "**Chapter 11 Cases**"), filed contemporaneously and jointly administered with the Borrower's Case) (the date of such filing, the "**Petition Date**").
Certain Prepetition Debt Facilities and Instruments:	The following financing arrangements are referred to herein collectively as the "**Prepetition Facilities,**" and, collectively, the holders of secured indebtedness described in this section, the "**Prepetition Secured Parties**"): **ABL Loans**: indebtedness and/or commitments (other than the 2024 Delayed Draw FILO Obligations) currently outstanding under that certain ABL Credit Agreement, dated as of October 22, 2021, by and among Wells Fargo Bank, National Association, as administrative agent and collateral agent (the "**ABL Agent**"), the borrowers, including the Company, party thereto, Parent and the other guarantors and lenders party thereto (as amended by the First Amendment to Credit Agreement, dated as of April 13, 2023, Second Amendment to Credit Agreement, dated as of July 16, 2023,

[1] Capitalized terms used but not defined herein have the meanings ascribed to such terms in the Restructuring Support Agreement (as defined herein) to which this DIP Term Sheet is attached.

Third Amendment to Credit Agreement, dated as of July 24, 2024, and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms, the "**ABL Credit Agreement**"), in the aggregate principal amount of approximately $683 million and $100 million in respect of the "Revolving Credit Loans" and "FILO Term Loans", respectively (each term as defined in the ABL Credit Agreement) thereunder (the "**ABL Loans**"), which amounts, for the avoidance of doubt, exclude approximately $49 million of letters of credit issued under the ABL Credit Agreement.

2024 Delayed Draw FILO Obligations: indebtedness currently outstanding under the ABL Credit Agreement in the aggregate principal amount of $75 million in respect of the "2024 Delayed Draw FILO Loans" (as defined in the ABL Credit Agreement) thereunder plus all accrued and unpaid interest thereon, fees, premiums and other expenses incurred in connection therewith (collectively, the "**2024 Delayed Draw FILO Obligations**") provided by certain lenders thereunder (the "**2024 FILO Lenders**").

Term Loan Obligations: indebtedness currently outstanding under that certain Term Loan Credit Agreement, dated as of October 22, 2021 (as amended by Amendment No. 1 to Credit Agreement, dated as of March 26, 2023, Amendment No. 2 to Credit Agreement, dated as of March 26, 2023, Amendment No. 3 to Credit Agreement, dated as of July 24, 2024 and as further amended, restated, amended and restated, supplemented or otherwise modified from time to time in accordance with its terms, the "**Term Loan Credit Agreement**"), by and among Bank of America, N. A., as administrative agent and collateral agent (the "**Term Loan Agent**"), the Company, as borrower, Parent and the other guarantors party thereto, and the lenders party thereto (the "**Term Loan Lenders**"), in the aggregate principal amount of $975 million plus all accrued and unpaid interest thereon, fees, premiums and other expenses incurred in connection therewith (collectively, the "**Term Loan Obligations**").

ABL/TL Intercreditor Agreement: the respective priorities of the liens on the collateral securing the obligations under the ABL Credit Agreement and the Term Loan Credit Agreement are governed by terms and conditions set forth in that certain Amended and Restated Intercreditor Agreement, dated as of July 24, 2024, by and among the ABL Agent, the Term Loan Agent and Wells Fargo Bank, National Association, as agent for lenders holding the 2024 Delayed Draw FILO Obligations (the "**2024 FILO Agent**") and acknowledged and agreed to by Parent, the Borrower and the other grantors party thereto (the "**ABL/TL Intercreditor Agreement**").

TL Intercreditor Agreement: the respective priorities of the liens on the collateral securing the obligations in respect of Term Priority Collateral (as defined in the ABL/TL Intercreditor Agreement) are governed by terms and conditions set forth in that certain First Lien Pari Passu Intercreditor Agreement, dated as of July 24, 2024, by and among the ABL Agent, the Term Loan Agent and 2024 FILO Agent and acknowledged and agreed to by Parent, the Borrower and the other grantors party thereto.

DIP Lenders: The parties identified on Schedule 1 attached to the Restructuring Support Agreement agree to provide New Money DIP Term Loans (as defined herein) (such party in such capacity, a "**New Money DIP Lender**" and, collectively, the "**New Money DIP**

Lenders") and roll-up their 2024 Delayed Draw FILO Obligations and a portion of their Term Loan Obligations under the DIP Term Loan Facility (collectively, the "**DIP Lenders**") [2].

DIP Term Loan Agent and DIP Escrow Agent: Wilmington Savings Fund Society, FSB ("**WSFS**") shall act as administrative agent and collateral agent with respect to the DIP Term Loan Facility (in such capacity, the "**DIP Term Loan Agent**") and as escrow agent with respect to the DIP Escrow Account (as defined herein) (in such capacity, the "**DIP Escrow Agent**" and, together with the DIP Term Loan Agent, the "**DIP Agents**").

DIP Term Loan Facility: A senior secured non-amortizing superpriority priming debtor in possession term loan facility (the "**DIP Term Loan Facility**") in an aggregate principal amount comprised of (i) term loans in a principal amount of up to $250 million (collectively, the "**New Money DIP Term Loans**" and the commitments of the New Money DIP Lenders to fund the New Money DIP Term Loans, the "**New Money DIP Term Loan Commitments**") to be made available to the Borrower in two draws, of which (a) a principal amount of $125 million will be available to be drawn in a single drawing on or after the Closing Date (as defined herein) upon satisfaction of the conditions set forth in the DIP Term Loan Facility Documents and the entry of the Interim DIP Order (as defined herein) (the "**Initial Draw**") and (b) an additional principal amount equal to the undrawn New Money DIP Term Loan Commitments will be available to be drawn in a single drawing after the Closing Date upon satisfaction of the conditions set forth in the DIP Term Loan Facility Documents and the entry of the Final DIP Order (the "**Final Draw**" and, together with the Initial Draw, the "**New Money DIP Draws**"); *provided, that* the proceeds of the New Money DIP Term Loans that are not used, pursuant to the Approved Budget, on the date on which such New Money DIP Term Loans are funded (such proceeds, the "**Escrowed Loan Amount**") shall be deposited into an escrow account (the "**DIP Escrow Account**") with the DIP Escrow Agent to be withdrawn and used solely in accordance with (x) the Approved Budget (as defined below) (for the avoidance of doubt, any amount in the DIP Escrow Account shall accrue interest at the interest rate set forth in the Annex A attached hereto) and (y) the withdrawal conditions set forth in section "Withdrawal Conditions" herein, and (ii) (x) a roll-up of all outstanding 2024 Delayed Draw FILO Obligations held by each New Money DIP Lender or its affiliate that is a 2024 FILO Lender, as applicable, into term loans under the DIP Term Loan Facility (collectively, the "**2024 FILO Roll-Up DIP Loans**" on the date that the Initial Draw is made and (y) a three-to-one (3.00:1.00) roll-up of the outstanding Term Loan Obligations held by each New Money DIP Lender or its affiliate that is a Term Lender, as applicable into term loans under the DIP Term Loan Facility (collectively, the "**Term Loan Roll-Up DIP Loans**" and, collectively with the New Money DIP Term Loans and the 2024 FILO Roll-Up Loans, the "**DIP Term Loans**"), on the date that the Initial Draw or the Final Draw, as applicable, is made; *provided*, *further*, that the New Money Term DIP Loan Commitments with respect to the New Money Term DIP Loans will be initially provided and funded through Jefferies Capital Services, LLC, as fronting lender (the "**Fronting Lender**"), in accordance with the terms of this DIP Term Sheet, that certain a master consent agreement by and among Jefferies, the

[2] So long as the Fronting Lender is a holder of New Money DIP Term Loans, the Fronting Lender shall be included in the definition of New Money DIP Term Lenders.

Borrower, and WSFS (the "**Master Consent**") and the Fronting Fee Letter (as defined below).

All DIP Term Loans shall become due and payable and all New Money DIP Term Loan Commitments shall be terminated on the DIP Term Loan Facility Termination Date (as defined herein).

DIP ABL Facility: The Debtors shall incur a senior secured postpetition revolving facility on a superpriority basis solely comprised of a roll-up through collected receipts (i.e., creeping roll-up) or refinancing of the outstanding ABL Loans under the ABL Credit Agreement on a dollar-for-dollar basis into new revolving loans or commitments, as applicable, on terms and conditions satisfactory to the Required Consenting New Money DIP Lenders (the "**DIP ABL Facility**" and, together with the DIP Term Loan Facility, the "**DIP Facilities**," the agent under the DIP ABL Facility, the "**DIP ABL Agent**" and the lenders under the DIP ABL Facility, the "**DIP ABL Lenders**").

DIP Orders: "**Interim DIP Order**" has the meaning set forth in the Restructuring Support Agreement.

"**Final DIP Order**" has the meaning set forth in the Restructuring Support Agreement.

"**DIP Orders**" has the meaning set forth in the Restructuring Support Agreement.

DIP Term Loan Facility Termination Date: The "**DIP Term Loan Facility Termination Date**" with respect to the DIP Term Loan Facility shall be the earliest to occur of: (a) the date that is 120 days after the Closing Date; *provided that* such date may be extended with the consent of the Supermajority New Money DIP Lenders by 30 days (and if such date shall not be a business day, the next succeeding business day), so long as (i) no default or Event of Default shall exist or result therefrom, (ii) the representations and warranties are true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects) immediately prior to, and after giving effect to, such extension, 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, (iii) the DIP Orders shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect without the consent of the Supermajority New Money DIP Lenders, and (v) the Supermajority New Money DIP Lenders, in their sole discretion, shall be satisfied with the Approved Budget; (b) the substantial consummation (as defined in section 1101 of the Bankruptcy Code and which for purposes hereof shall be no later than the "effective date" thereof) of a plan of reorganization filed in the Chapter 11 Cases that is confirmed pursuant to an order entered by the Bankruptcy Court; (c) the acceleration of the DIP Term Loans and the termination of the DIP Term Loan Commitments in accordance with the DIP Term Loan Facility Documents; (d) the consummation of a sale of all or substantially all of the assets of the Debtors pursuant to section 363 of the Bankruptcy Code; and (e) dismissal of the Chapter 11 Cases or conversion of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code.

Amortization: None.

Purpose:	The proceeds of (a) the New Money DIP Term Loans shall be used, in each case, subject to the Approved Budget and DIP Orders: (i) for the payment of working capital and other general corporate needs of the Debtors in the ordinary course of business; *provided*, *however*, that the payments to critical vendors shall be pursuant to critical vendor designation and approval procedures approved by the Required Consenting New Money DIP Lenders; (ii) for the payment of the fees, costs, and expenses of administering the Chapter 11 Cases; (iii) to pay obligations arising from or related to the Carve Out (as defined herein); (iv) to pay such other prepetition obligations as set forth in the Approved Budget, or otherwise as approved by the Bankruptcy Court, subject to the prior written consent of the Required Consenting New Money DIP Lenders acting in their sole discretion; (v) for the payment of the agency fees and reasonable and documented fees and expenses of the DIP Agents and the DIP Lenders owed under the DIP Term Loan Facility Documents; (vi) to make any adequate protection payments; and (vii) any other purposes of the Debtors permitted by the Approved Budget or approved by the prior written consent of the Required Consenting New Money DIP Lenders acting in their sole discretion, (b) the FILO Roll-Up DIP Loans shall be deemed to be used to repay the equivalent principal amount of the 2024 Delayed Draw FILO Obligations outstanding under the ABL Credit Agreement and (c) the Term Loan Roll-Up DIP Loans shall be deemed to be used to repay the equivalent principal amount of the Term Loan Obligations outstanding under the Term Loan Credit Agreement.
DIP Term Loan Facility Documents:	"**Documentation Principles**" means that the DIP Term Loan Facility will be documented in this DIP Term Sheet and, upon the execution thereof, a credit agreement (the "**DIP Credit Agreement**") and other guarantee, security, intercreditor and other relevant documentation (collectively, the "**DIP Term Loan Facility Documents**") and through the terms of the DIP Orders reflecting the terms and provisions set forth in this DIP Term Sheet and otherwise in form and substance satisfactory to the DIP Term Loan Agent, the Required Consenting Lenders, the Fronting Lender and the Debtors; *provided, that* such DIP Term Loan Facility Documents shall be drafted substantially in the form of the Term Loan Credit Agreement and the related collateral documents, in each case modified to reflect the express terms and conditions set forth in this DIP Term Sheet or customary for debtor in possession financings of this type which are agreed to by the parties thereto. It being understood and agreed that (i) the DIP Credit Agreement shall be executed by all parties thereto not later than 10 business days after the Petition Date (or such later time as the Required Consenting New Money DIP Lenders may agree but in any event prior to the date of the entry of the Final DIP Order and (ii) upon the execution and delivery of the DIP Credit Agreement any provisions of this DIP Term Sheet shall be superseded by the corresponding provisions of the DIP Credit Agreement.
Interest Rates and Fees:	As set forth on Annex A attached hereto and in any applicable fee letters.
Optional Prepayments:	The Borrower may, upon at least three (3) business days' notice, prepay in full or in part, subject to breakage costs and the Exit Fee set forth on Annex A attached hereto but otherwise without premium or penalty, the DIP Term Loans; *provided* that each such partial prepayment shall be in an aggregate amount of $1,000,000 or multiples

of $500,000 in excess thereof (or, if less, the then outstanding principal amount of the DIP Term Loans). Once repaid, DIP Term Loans may not be re-borrowed.

Mandatory Prepayments: Mandatory prepayments of the DIP Term Loans shall be required with 100% of the net cash proceeds from (A) the sale or other disposition of assets of the Borrower and its subsidiaries outside the ordinary course of business, with any exceptions to be agreed; *provided* that net cash proceeds from the disposition of ABL Priority Collateral (as defined in the ABL/TL Intercreditor Agreement) shall not be required to be used to prepay DIP Term Loans to the extent required to prepay ABL Loans under the ABL Credit Agreement and/or loans under the ABL DIP Facility, (B) any casualty events, insurance and condemnation proceeds, subject to exceptions to be agreed, (C) any sale or issuance of debt (other than permitted debt to be agreed), and (D) any extraordinary receipts to be agreed, in each case, subject to breakage cost and the Exit Premium.

Any optional or mandatory prepayments of the DIP Term Loans shall be applied as follows: (a) to the extent such prepayment is done with the proceeds of the ABL Priority Collateral, such prepayment shall be applied *first*, to prepay the 2024 FILO Roll-Up DIP Loans until all such 2024 FILO Roll-Up Loans are repaid in full, *second*, to prepay New Money DIP Term Loans until all such New Money DIP Term Loans are repaid in full and, *third*, to prepay any Term Loan Roll-Up DIP Loans until all such Term Loan Roll-Up DIP Loans are repaid in full and (b) to the extent such prepayment is done with the proceeds of the Term Priority Collateral, such prepayment shall be applied *first*, to prepay the New Money DIP Term Loans until all such New Money DIP Term Loans are repaid in full and, *second*, to prepay any 2024 FILO Roll-Up DIP Loans and Term Loan Roll-Up DIP Loans *pro rata*, until all such 2024 FILO Roll-Up DIP Loans and Term Loan Roll-Up DIP Loans are repaid in full.

Security and Priority: The DIP Term Loan Obligations shall be, subject to (i) the Carve-Out, (ii) the prepetition and postpetition liens of the ABL Agent on the ABL Priority Collateral solely with respect to the DIP ABL Loans and ABL Loans and (iii) certain liens senior by operation of law and otherwise permitted by the "Loan Documents" (as defined in the Term Loan Credit Agreement), but solely to the extent such permitted liens were valid, properly perfected, non-avoidable and senior in priority to the prepetition liens securing the Terms Loans and other obligations under the Term Loan Credit Agreement, as of the Petition Date, or valid, non-avoidable, senior priority liens in existence as of the Petition Date that are perfected after the Petition Date as permitted by section 546(b) of the Bankruptcy Code (the "**Permitted Liens**"):

(a) pursuant to section 364(c)(1) of the Bankruptcy Code, entitled to joint and several superpriority administrative expense claim status in all of the Chapter 11 Cases (the "**DIP Term Loan Superpriority Claims**"); and

(b) pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code, secured by fully perfected senior security interests and liens on the DIP Collateral (as defined herein), including the collateral securing the Term Loan Obligations (collectively, the "**DIP Term Loan Liens**").

The DIP Term Loan Liens shall be effective and perfected upon entry of the Interim DIP Order without the necessity of the execution, filing or recordation of mortgages, security agreements, pledge agreements, financing statements or other agreements.

"**DIP Collateral**" means all owned or hereafter acquired, whether first arising prior to or following the Petition Date, assets and property of the Loan Parties (including, without limitation, inventory, accounts receivable, equipment, property, plant, equipment, material fee owned and ground leased real property, real property leaseholds, investment property, insurance proceeds, deposit accounts (other than payroll, trust and tax accounts), rights under leases and other contracts, patents, copyrights, trademarks, tradenames and other intellectual property and capital stock of subsidiaries), and the proceeds thereof, including, subject to entry of Final DIP Order, the proceeds of the Avoidance Action (as defined herein) but not including claims and causes of action under sections 502(d), 544, 545, 547, 548, 549 and 550 of the Bankruptcy Code (collectively, the "**Avoidance Actions**"), in each case other than "Excluded Property" (to be defined in the DIP Term Loan Facility Documents).

It being understood and agreed that the proceeds of the New Money DIP Loans deposited into the DIP Loan Proceeds Account (as defined herein) shall not constitute DIP Collateral securing any obligations under the ABL Credit Agreement and the DIP ABL Credit Agreement.

Intercreditor Arrangements: The respective priorities of the liens on the DIP Collateral securing the obligations under the DIP Term Loan Facility, the liens on the DIP Collateral securing the obligations under the DIP ABL Facility and adequate protection liens shall be governed by terms and conditions set forth in the DIP Orders.

Carve-Out: As set forth in the DIP Orders.

Limitation on Use of Carve-Out and Proceeds of DIP Term Loans: For the avoidance of doubt and notwithstanding anything to the contrary herein or in the DIP Term Loan Facility Documents, the Carve-Out, the DIP Collateral, including cash collateral, and any portion or proceeds of the DIP Term Loans shall not include, apply to or be available for any fees or expenses incurred by any party in connection with (a) the investigation, initiation or prosecution of any claims, causes of action, adversary proceedings or other litigation, other than the investigation of such claims by the unsecured creditors committee (the "**Creditors' Committee**") prior to the delivery of a Carve-Out Trigger Notice and subject to the Investigation Budget Cap, (i) against any of the DIP ABL Lenders, DIP ABL Agent, DIP Lenders, the DIP Agents, the Term Loan Agent or any other Prepetition Secured Parties (whether in such capacity or otherwise), or (ii) challenging the amount, validity, perfection, priority or enforceability of, or asserting any defense, counterclaim or offset to, the obligations and the liens and security interests granted under the DIP Term Loan Facility Documents, the ABL Credit Agreement or the Term Loan Credit Agreement, including, in each case without limitation, for lender liability or pursuant to section 105, 510, 544, 547, 548, 549, 550 or 552 of the Bankruptcy Code, applicable non-bankruptcy law or otherwise; (b) attempts to modify any of the rights granted to the DIP Lenders or the DIP Agents with respect to the DIP Term Loan Facility, other than in accordance with the DIP Orders; (c) attempts to prevent, hinder or otherwise delay any of the DIP Lenders', the DIP Agents' or Prepetition Secured Parties' assertion, enforcement or realization upon any DIP Collateral or Prepetition Collateral in accordance with the DIP Term Loan Facility Documents, ABL Credit

Agreement or Term Loan Credit Agreement and the DIP Orders once an Event of Default has occurred and after the applicable Remedies Notice Period (as defined herein) has expired and the Bankruptcy Court has not enjoined any such enforcement action; or (d) objecting or challenging or contesting in any manner, or raising any defenses to, the validity, extent, amount, perfection, priority or enforceability of any of the obligations under or in respect of (i) the DIP Term Loan Facility or the Prepetition Facilities, (ii) the liens securing the DIP Term Loan Facility or the Prepetition Facilities; (iii) any other rights or interest of any of the DIP Agents, the DIP Lenders or the Prepetition Secured Parties following the occurrence of an Event of Default and after the applicable Remedies Notice Period.

The "**Investigation Budget Cap**" means a cap of $75,000 with respect to Allowed Professional Fees to be incurred by the Creditors' Committee under the investigation budget.

Adequate Protection & Other Protections: As set forth in the DIP Orders.

Termination of Consent to Use Cash Collateral: The consensual use of cash collateral will be terminated upon (i) the occurrence and during the continuance of any Event of Default unless waived in writing by the Required Consenting New Money DIP Lenders and (ii) following the Remedies Notice Period.

Conditions Precedent to the Initial Extension of Credit: The initial extension of credit (the "**Closing**"; the date on which the Closing occurs, the "**Closing Date**") under the DIP Term Loan Facility shall be subject to the following conditions (and the conditions set forth under "Conditions Precedent to Each Loan" below), unless waived by the Required Consenting New Money DIP Lenders and, to the extent the satisfaction of any condition requires the consent of the Fronting Lender or the failure to satisfy such condition would adversely affect the Fronting Lender, the Fronting Lender:

A. DIP Agents' fee letter, in form and substance satisfactory to the DIP Agents' in their sole discretion, shall have been executed and delivered by each party thereto.

B. [Reserved].

C. The DIP Escrow Account shall have been established.

D. The Petition Date shall have occurred, and each Loan Party (including Guarantors incorporated under the laws of Canada or any province thereof) shall be a debtor and a debtor in possession.

E. Not later than three (3) business days following the Petition Date, the Bankruptcy Court shall have entered the Interim DIP Order in form and substance consistent with this DIP Term Sheet and otherwise acceptable to DIP Agents, the Required Consenting Lenders and the Fronting Lender, which Interim DIP Order shall not have been vacated, reversed, modified, amended or stayed.

F. No trustee or examiner with expanded powers shall have been appointed with respect to any Loan Party or any of the Loan Parties' respective properties pursuant to section 1104 of the Bankruptcy Code.

G. All fees, invoiced costs and expenses (including, without limitation, reasonable, documented and invoiced legal fees and expenses) and other compensation contemplated by the DIP Term Loan Facility Documents or otherwise required to be paid to the Ad Hoc Group Advisors, the DIP Agents and the DIP Lenders on or before the Closing shall have been paid. It being understood and agreed that the DIP Agents shall be entitled to net any administrative and/or agency fees from the proceeds of the funded New Money DIP Term Loans.

H. The DIP Agents and the DIP Lenders shall have received, prior to the Closing Date, in a form and substance satisfactory to the Required Consenting New Money DIP Lenders, a thirteen (13) week rolling cash flow budget for the period from the Closing Date through the end of such 13-week period (such initial approved budget and subsequent budgets approved by the Supermajority New Money DIP Lenders as described below, the "**Approved Budget**"). Each budget provided after the Closing Date shall include the aggregate principal amount of undrawn and outstanding loans under the DIP ABL Facility. It being understood and agreed that the Initial Approved Budget attached as Exhibit 3 to the Interim DIP Order is satisfactory to the Required Consenting New Money DIP Lenders.

I. The DIP Agents and the DIP Lenders shall have received, on or prior to the Closing Date, customary closing deliverables with respect to each Debtor addressing such customary matters as the DIP Lenders shall reasonably request, including good standing certificates, secretary's certificates with organizational documents, resolutions and incumbency certificates attached and officer's closing certificate, in each case, in form and substance reasonably satisfactory to the Required Consenting New Money DIP Lenders.

J. There shall exist no known unstayed action, suit, investigation, litigation, or proceeding pending in any court or before any arbitrator or governmental instrumentality (other than the Chapter 11 Cases) that would reasonably be expected to result in a Material Adverse Effect.

"**Material Adverse Effect**" shall mean any circumstance or condition that would individually or in the aggregate, have a material adverse effect on (i) the business, assets, liabilities (actual or contingent), operations, properties or condition (financial or otherwise) of the Borrower and its subsidiaries and affiliates taken as a whole (other than as a result of events leading up to and customarily resulting from the commencement of the Chapter 11 Cases and the continuation and prosecution thereof), (ii) the ability of the Loan Parties (taken as a whole) to perform or consummate their respective payment obligations under any DIP Term Loan Facility Document (other than as a result of events leading up to and resulting from the commencement of the Chapter 11 Cases and the continuation and prosecution thereof), or (iii) the rights, benefits and remedies of the DIP Lenders or the DIP Agents under any DIP Term Loan Facility Document, including the ability of the DIP Agents and DIP Lenders to enforce the DIP Term Loan Facility Documents.

K. Since the Petition Date, there shall not have occurred any circumstance or conditions, which individually or in the aggregate, constitutes or is reasonably expected to constitute, a Material Adverse Effect.

L. All necessary and material governmental and third-party consents and approvals necessary in connection with the DIP Term Loan Facility and the transactions contemplated thereby shall have been obtained on or prior to the Closing Date (without the imposition of any materially adverse conditions to the DIP Lenders (taken as a whole) that are not acceptable to the Required Consenting New Money DIP Lenders) and shall remain in effect; and no law or regulation shall be applicable in the judgment of the Required Consenting New Money DIP Lenders, as applicable, that restrains, prevents, or imposes materially adverse conditions upon the DIP Term Loan Facility or the transactions contemplated thereby.

M. The DIP Agents and each DIP Lender who has requested the same at least five (5) business days before the Closing Date shall have received, no later than three (3) business days before the Closing Date, all documentation and other information required under applicable "know your customer" and anti-money laundering rules and regulations, including the U.S. Patriot Act.

N. Granting valid and perfected liens, satisfactory to the DIP Lenders, for the benefit of the DIP Agents and the DIP Lenders via entry of the Interim Order, on the security interests in the DIP Collateral of the Loan Parties contemplated by the "Security and Priority" section above (including granted pursuant to a customary security agreement in form and substance satisfactory to the DIP Agents and the DIP Lenders); the Loan Parties shall have delivered Uniform Commercial Code financing statements, in suitable form for filing satisfactory to the DIP Agents.

O. The Restructuring Support Agreement, dated as of October 22, among the Company Parties and Consenting Stakeholders (as each such term is defined therein)(the "**Restructuring Support Agreement**"), shall be in full force and effect as of the Closing Date and shall not have been amended or modified without the consents required therein.

P. All "first day orders" entered at the time of commencement of the Chapter 11 Cases shall be satisfactory in form and substance to the Required Consenting New Money DIP Lenders; *provided, however*, the DIP Orders shall be satisfactory in form and substance to the Required Consenting Lenders.

Q. (i) The "Covenant Trigger Period" (as defined in the ABL Credit Agreement) and related provisions of the ABL Credit Agreement or the agreement governing the DIP ABL Facility (the "**DIP ABL Credit Agreement**"), as applicable, shall have been amended on the terms satisfactory to the Required Consenting New Money DIP Lenders to reduce the Excess Availability threshold for the purposes of such "Covenant Trigger Period" definition (the "**ABL Excess Availability Threshold**") to the fixed amount of (x) upon entry of the Initial DIP Order, $64 million Order and (y) upon entry of the Final DIP Order and for the term of the DIP Term Loan Facility, $54 million; (ii) the definition of "Borrowing Base" and related provisions under the ABL Credit Agreement or the DIP ABL Credit Agreement, as applicable, shall remain unchanged and no discretionary reserves shall have been established as compared to those set forth in the ABL Credit

Agreement in effect as of the date of the Restructuring Support Agreement and additional reserves added shortly prior to the Petition Date have been removed (collectively, together with interest rates referred to in clause R below, "**Certain ABL Components**") and (iii) the DIP Term Loan Agent and the DIP Lenders shall have received copies of such Ratification and Amendment Agreement with the DIP ABL Credit Agreement attached thereto as Exhibit A, duly executed by all parties thereto.

R. The loans (other than the 2024 Delayed Draw FILO Loans) under the ABL Credit Agreement or the DIP ABL Credit Agreement, as applicable, shall bear interest at the *per annum* rate equal to the Default Rate under and as defined in the ABL Credit Agreement in effect as of the date of the Restructuring Support Agreement.

S. (i) The Fronting Fee Letter and (ii) the Master Consent shall have been duly executed and delivered in each case to each of the parties signatory thereto.

T. All premiums, fronting or seasoning fees, and the reasonable fees, costs, and expenses of professionals for the Fronting Lender (including, without limitation, the reasonable fees, charges and expenses of Orrick, Herrington & Sutcliffe LLP and Mandel, Katz & Brosnan LLP), in each case pursuant to invoices delivered to the Debtors before the Closing Date, and all other amounts required to be paid to the Fronting Lender in accordance with the Fronting Fee Letter, shall have been paid (or will be paid with the proceeds of the Loan(s) authorized under the Interim Order).

Conditions Precedent to Each DIP Term Loan:

On the funding date of each DIP Term Loan: (i) no Default or an Event of Default under the DIP Term Loan Facility Documents shall exist, or would result from such proposed funding or from the application of the proceeds therefrom, unless waived by the Supermajority New Money DIP Lenders; (ii) the representations and warranties of the Loan Parties in the DIP Term Loan Facility Documents shall be true and correct in all material respects (or in the case of representations and warranties with a "materiality" qualifier, true and correct in all respects (after giving effect to any qualification therein)) immediately prior to, and after giving effect to, such funding or issuance, 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, unless waived by the Required Consenting New Money DIP Lenders; (iii) the making of such DIP Term Loan shall not violate any requirement of material law, the violation of which constitutes or is reasonably expected to constitute a Material Adverse Effect, after giving effect to the Interim DIP Order, the Final DIP Order, and any other order of the Bankruptcy Court, and shall not be enjoined, temporarily, preliminarily or permanently, unless waived by the Required Consenting New Money DIP Lenders; (iv) the making of such DIP Term Loan shall not result in the aggregate outstanding amount under the DIP Term Loan Facility exceeding the amount authorized by the Interim DIP Order or the Final DIP Order, as applicable (or any sub-cap expressed in the DIP Term Loan Facility Documents), unless waived by the Required Consenting New Money DIP Lenders; (v) with respect to the Final Draw, the Final DIP Order, which shall be consistent with the Interim DIP Order and otherwise in form and substance satisfactory to DIP Agents and the Required Consenting Lenders, and, so long as the New Money DIP Term Loans funded pursuant to the Initial Draw and any New Money DIP Term Loan

Commitments have not been assigned by the Fronting Lender to the applicable DIP Lenders, the Fronting Lender, shall have been entered and the Interim DIP Order or Final DIP Order, as the case may be, shall be in full force and effect and shall not have been vacated, reversed, modified, amended or stayed in any respect, unless waived by the Required Consenting Lenders; (vi) no Material Adverse Effect shall have occurred since the Petition Date, unless waived by the Required Consenting New Money DIP Lenders; (vii) none of the Chapter 11 Cases shall have been dismissed or converted to a chapter 7 case, unless waived by the Required Consenting New Money DIP Lenders; (viii) no trustee under chapter 7 or chapter 11 of the Bankruptcy Code or examiner with enlarged powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code shall have been appointed in any of the Chapter 11 Cases, unless waived by the Required Consenting New Money DIP Lenders; (ix) (A) with respect to the Initial Draw, the DIP Term Loan Agent shall have received, a written borrowing notice two (2) business days prior to funding and (B) with respect to the Final Draw, the DIP Term Loan Agent shall have received, a borrowing notice five (5) business days prior to funding, in each case, in the form set forth in the DIP Term Facility Documents and unless waived by the Required Consenting New Money DIP Lenders; (x) satisfaction by the Debtors of all DIP Milestones that have occurred as of each borrowing, unless waived by the Supermajority New Money DIP Lenders; (xi) the funding of the New Money DIP Term Loan complies with the Approved Budget, unless waived by the Supermajority New Money DIP Lenders; and (xii) prior to the Final Draw, all material "first day" orders shall have been entered on a final basis and shall be reasonably satisfactory in form and substance to the Required Consenting New Money DIP Lenders; *provided, however*, the DIP Orders shall be satisfactory in form and substance to the Required Consenting Lenders.

Withdrawal Conditions: The Borrower shall be allowed to make one or more withdrawals from the Escrow Account (each, a "**Loan Withdrawal**") after the Closing Date, subject to the satisfaction (or waiver by the Supermajority New Money DIP Lenders) of each of the following conditions:

A. The DIP Term Loan Agent and the DIP Escrow Agent shall have received a Loan Withdrawal Notice in the form set forth on Exhibit A attached hereto with respect to the New Money DIP Loans by no later than 12:00 Noon (New York time) one Business Day prior for a proposed withdrawal of such Loan Withdrawal on the immediately following Business Day (such date, the "**Proposed Withdrawal Date**"), which shall include a certification that the proceeds of such Loan Withdrawal shall be used pursuant to the Approved Budget (subject to Permitted Variances).

B. The representations and warranties of the Loan Parties set forth herein shall be true and correct in all material respects on and as of the Proposed Withdrawal Date as though made on and as of such Proposed Withdrawal Date, 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.

C. No default or Event of Default shall have occurred and be continuing on such Proposed Withdrawal Date or after giving effect to the Loan Withdrawal requested to be made.

D. Then applicable Approved Budget shall be in full force and effect on and as of the Proposed Withdrawal Date, and the withdrawal shall be in accordance with such Approved Budget (subject to Permitted Variances).

E. Then applicable DIP Order shall be in full force and effect and shall not have been reversed, vacated or stayed, and shall not have been amended, supplemented or otherwise modified without the prior written consent of the Required Consenting Lenders.

F. The Loan Parties shall have satisfied each of the DIP Milestones (to the extent such DIP Milestone occurs prior to the Proposed Withdrawal Date) on or prior to the Proposed Withdrawal Date.

G. Since the Closing Date, there shall be no changes to the Certain ABL Components (as defined herein) unless such changes have been made in compliance with the terms hereof.

By delivery of any Loan Withdrawal Notice (and acceptance of any Loan Withdrawal), the Borrower shall be deemed to have further represented and warranted to the DIP Lenders that the calculations of the amounts requested to be withdrawn pursuant to such Loan Withdrawal are reasonable and accurate based on the facts and circumstances in existence at the time of its preparation, calculation and delivery. Upon receipt of the Loan Withdrawal Notice and satisfaction of the conditions set forth in this section "Withdrawal Conditions", the DIP Term Loan Agent shall promptly direct the DIP Escrow Agent to disburse funds by 4:00 p.m. (New York City time) on the business day immediately following such Loan Withdrawal Notice.

The DIP Escrow Account shall be subject to, and the DIP Escrow Agent shall be retained pursuant to, the arrangements set forth on Annex C attached hereto.

Any amounts withdrawn pursuant to a Loan Withdrawal that are not used pursuant to the Approved Budget shall either be (i) netted against any subsequent Loan Withdrawal or (ii) returned to the DIP Escrow Agent to be deposited in the DIP Escrow Account.

Representations and Warranties: Substantially consistent with the representations and warranties set forth in the Term Loan Credit Agreement, subject to the Documentation Principles, with changes to reflect the requirements of WSFS, as agent. For purposes of funding on Closing Date under this DIP Term Sheet, the representations and warranties shall include the following which shall be substantially consistent with the representations and warranties set forth in the Term Loan Credit Agreement (including with respect to exceptions and materiality thresholds and qualifiers) as if all of such representations and warranties were included in this DIP Term Sheet as of the date of Initial Draw and additional representations set forth below: valid existence, compliance with law (including Official of Foreign Asset Control ("**OFAC**"), Foreign Corrupt Practices Act, etc.), requisite power, due authorization, approvals, no conflict with organizational documents, material agreements (to the extent enforceable

postpetition) or applicable law, enforceability of the DIP Term Loan Facility Documents, no Default or an Event of default under DIP Term Loan Facility Documents after taking into account the funding under the DIP Term Loan Facility, ownership of subsidiaries and property, material accuracy of financial statements and all other information and disclosure provided, absence of material adverse change, absence of material litigation, taxes, margin regulations, no burdensome restrictions, inapplicability of Investment Company Act, employee benefit plans and the Employee Retirement Income Security Act ("**ERISA**"), use of proceeds, insurance, labor matters, environmental matters, sanctioned persons, anti-corruption laws, Patriot Act, perfection and security interests, intellectual property and licenses, deposit accounts, ownership of properties and liens, the Interim DIP Order, the DIP liens and the superpriority administrative expense claims.

Affirmative Covenants:

Until the date of the execution of the DIP Credit Agreement (the "**DIP Credit Agreement Execution Date**"), the Loan Parties shall comply with all affirmative covenants set forth in the Term Loan Credit Agreement, this DIP Term Sheet and the DIP Orders.

The DIP Term Loan Facility Documents will contain affirmative covenants substantially consistent with the Term Loan Credit Agreement, subject to the Documentation Principles, with changes to reflect the requirements of WSFS, as agent, but in any event shall include the following:

A. Payment of taxes.

B. Preservation of existence.

C. Maintenance of properties.

D. Maintenance of insurance (including flood insurance).

E. Compliance with laws (including ERISA and environmental laws), sanctions, anti-bribery, OFAC, PATRIOT Act, money-laundering and other anti-terrorism laws, etc.

F. Conduct of business.

G. Maintenance of and access to books and records and inspection rights.

H. Provision of additional collateral, guarantees and mortgages.

I. Delivery of certain reports and information.

J. Use of proceeds.

K. DIP Milestones.

L. Certain customary bankruptcy matters, including provision of material draft motions and pleadings (subject to customary limitations and exceptions) and Bankruptcy Court orders, motions and other filings being acceptable to the

Required Consenting New Money DIP Lenders; *provided, however*, the DIP Orders shall be acceptable to the Required Consenting Lenders.

M. Limitations on changes to fiscal year.

N. Delivery of notices of defaults and certain other events that would reasonably be expected to result in a Material Adverse Effect.

O. Weekly commercial update calls with the DIP Lenders or their representatives.

P. Maintenance of proceeds of the New Money DIP Loans withdrawn from the DIP Escrow Account to the extent not otherwise applied in accordance with the Approved Budget in a segregated U.S. deposit account of the Borrower and, subject to clause (R) below, subject to springing control of the DIP Term Loan Agent (the "**DIP Loan Proceeds Account**").

Q. Compliance with the cash management order acceptable to the Required Consenting New Money DIP Lenders.

R. Further assurances and post-closing covenant (including post-closing obligations to (i) obtain insurance endorsements naming the DIP Term Loan Agent, on behalf of the DIP Lenders, as an additional insured and loss payee, as applicable, under all insurance policies to be maintained with respect to the properties of the Loan Parties and their respective subsidiaries forming part of the New Money DIP Lenders' collateral and (ii) the applicable Loans Party using its commercially reasonable efforts to establish an account control agreement over the DIP Loan Proceeds Account, in each case within 20 business days after the Closing Date (or such later time as the Required Consenting New Money DIP Lenders may agree)).

S. Use of commercially reasonable efforts to obtain within a term period after the Closing Date to be agreed credit ratings in respect of the DIP Term Loan Facility from each of Standard & Poor's Ratings Services and Moody's Investors Service, Inc.; *provided that* obtaining such rating shall not be a precondition to draw.

DIP Milestones: The Debtors shall comply with all milestones set forth on Annex B hereto (the "**DIP Milestones**"), unless waived by the Supermajority New Money DIP Lenders.

Negative Covenants: Until the DIP Credit Agreement Execution Date, the Loan Parties shall not create any lien, incur any debt, merge or consolidate with any person, may any investments (other than intercompany investments between Loan Parties), make any restricted payments, grant any negative pledge, or allow any restrictions on subsidiary distributions in each case without the written consent of the Required Consenting New Money DIP Lenders; *provided that* such consent can be delivered to the Borrower in the form of an e-mail confirmation from the DIP Lenders' counsel or financial advisor.

The DIP Term Loan Facility Documents will contain negative covenants substantially consistent with the Term Loan Credit Agreement, subject to the Documentation Principles, but in any event shall include the following:

A. Limitations on liens.

B. Limitations on loans and investments.

C. Limitations on debt and guarantees.

D. Limitations on fundamental changes.

E. Limitations on asset sales and dispositions (including sale-leasebacks and disposition of equity); *provided that* any asset sale or disposition not in the ordinary course of business shall require the consent of the Required Consenting New Money DIP Lenders.

F. Limitations on restricted payments, including dividends, redemptions and repurchases with respect to capital stock.

G. Limitations on material changes in business.

H. Limitations on transactions with affiliates.

I. Limitations on restrictions on distributions from subsidiaries, intercompany loans (and repayments), asset transfers or investments and granting of negative pledges.

J. Limitations on use of proceeds.

K. Limitations on accounting changes.

L. Limitations on cancellation of debt and prepayments, repayments, redemptions and repurchases of debt.

M. Limitation on change in business, structure, accounting, name and jurisdiction of organization or other fundamental changes.

N. Limitations on ability of subsidiaries to be non-wholly-owned.

O. Limitations on ability of holding company to take certain actions.

P. Limitations on amendment of constituent documents except for modifications that could not reasonably be expected to adversely affect the interests of the DIP Lenders.

Q. Limitation on incurrence or existence of any claims entitled to a superpriority under section 364(c)(1) of the Bankruptcy Code other than those arising under the DIP Term Loan Facility and the replacement liens and superpriority claims provided as adequate protection to the Prepetition Secured Parties as set forth in the DIP Orders.

R. Limitation on (i) changes to the Certain ABL Components and (ii) contracts and lease rejections or assumptions, in each case, without prior written consent of the Supermajority New Money DIP Lenders.

For the avoidance of doubt and notwithstanding anything to the contrary herein, the negative covenants applicable to the DIP Term Loan Facility shall not contain exceptions based on an "available amount" or like concept or "unrestricted subsidiary" or like concept.

Financial Covenants: The DIP Term Loan Facility will contain the following financial covenants (which will be applicable to the Loan Parties and their respective subsidiaries):

Variance Covenant. As of the last date of each Test Period, commencing with the third full week after the Petition Date, (1) the unfavorable variance (as compared to the Approved Budget) of the cumulative operating cash receipts of the Debtors shall not exceed 10% and (2) the unfavorable variance (as compared to the Approved Budget) of the cumulative operating disbursements (other than all professional fees, including professional fees and expenses incurred by the Debtors, the DIP Term Loan Agent, the DIP Escrow Agent, the DIP Lenders, the DIP ABL Agent, the DIP ABL Lenders, U.S. Trustee and the Creditors' Committee that are owed and payable by the Debtors) shall not exceed 10% in each case, based on a rolling four-week period (collectively, the "**Permitted Variances**"). "**Test Period**" shall mean (i) initially, the third full week after the Petition Date and (ii) thereafter, each one-week period.

Minimum Liquidity Covenant. As of the last day of any week following the Closing Date, minimum Liquidity[3] in excess of the ABL Excess Availability Threshold to be no less than $20 million; *provided* that the Borrower may make a Loan Withdrawal from the DIP Escrow Account in the amount necessary to satisfy the foregoing requirement (except that such Loan Withdrawal must otherwise be in accordance with Section "Withdrawal Conditions" of this DIP Term Sheet).

Budget and Financial Reporting Requirements: The Company shall provide: (i) on or prior to the Thursday of each week, Approved Budget variance reports on a line-item basis and liquidity reports, in each case, for the preceding calendar week and a computation of Liquidity compared to the ABL Excess Availability Threshold as of the preceding calendar week-end; (ii) on or prior to Thursday of every fourth week, an updated forecast on a rolling 13-week basis, in form and substance satisfactory to the Supermajority New Money DIP Lenders in their sole discretion, which shall become the then Approved Budget upon approval by Supermajority New Money DIP Lenders in their sole discretion (and to the extent any updated budget is not approved by the Supermajority New Money DIP Lenders, the Approved Budget that is then in effect shall continue to constitute the Approved Budget for purposes of the DIP Term Loan Facility); *provided* that the Approved Budget shall be deemed to be amended or modified with the consent of the Supermajority New Money DIP Lenders and such amendments or modifications shall be deemed to be permitted hereunder if neither the Supermajority New Money DIP Lenders nor their advisors have objected to any amendments or modifications requested by the Borrower within five (5) Business Days of receipt of such request; (iii) on Thursday of each week, commencing with Thursday, October 31, 2024, an operational update report from AlixPartners (or such other advisor reasonably acceptable to the Required Consenting New Money DIP Lenders), which such report shall include cost savings information and other information provided to the management of the Borrower and otherwise be in a form of the operational update

[3] "Liquidity" to be defined substantially similar to the definition thereof in the Term Loan Credit Agreement with conforming changes to the DIP ABL Credit Agreement.

report being delivered pursuant to the Term Loan Credit Agreement, (iv) on or prior to the 20th calendar day after the end of each fiscal month, AP aging reports as of the most recently ended fiscal month, (v) on or prior to the 21st calendar day after the end of each fiscal month, (1) a preliminary profit and loss statement for the most recently ended fiscal month (provided that this requirement shall be extended to the 28th day after the end of each fiscal month for fiscal year-ends and fiscal quarter-ends) and (2) month-end reporting of gross accounts receivable and inventory, in each case, as of the last day of the preceding fiscal month, (vi) beginning with the Thursday of the third week following the Petition Date and on the Thursday of every other week thereafter, a sales volume report for the preceding calendar week, an inventory report as of the preceding calendar week-end (by category, with book value of the inventory), and a report of tire vendor payments by supplier, with corresponding total dollar amounts, for the preceding calendar week, (vii) each borrowing base certificate delivered under the DIP ABL Facility, (viii) on or prior to Thursday of each week, a written update on the status of any proposed asset sale(s) (excluding any ordinary course sales, which ordinary course sales exclusion shall encompass sales made to customers at discounted rates pursuant to internal programs or initiatives, and further excluding any de minimis sales or disposals of property having a book value of less than $50,000) and any term sheets or similar documents received in connection therewith or, to the extent such documents are subject to confidentiality, summaries thereof and (ix) within one business day of the filing of the same on the Bankruptcy Court docket, copies of monthly operating reports.

Other Reporting Requirements: Customary for facilities of this type, including customary notices in respect of certain filings made in the Chapter 11 Cases.

Events of Default: DIP Term Loan Facility Documents will contain events of default (each, an "**Event of Default**") substantially consistent with the Term Loan Credit Agreement, subject to the Documentation Principles, and in any event shall include the following:

A. Failure to pay principal, interest or any other amount when due, subject in the case of payment of interest or any other amount, to 5 business day grace period;

B. Representations and warranties incorrect in any material respect when made or deemed made;

C. Failure to comply with covenants, with customary grace periods for certain affirmative covenants;

D. Cross default with the DIP ABL Facility, if applicable, or other indebtedness in excess of $2.5 million (other than any indebtedness the payment of which is stayed as a result of the filing of the Chapter 11 Cases);

E. Failure to comply with DIP Milestones;

F. Unstayed judgments or postpetition judgments arising from postpetition obligations in excess of $1.0 million after applying proceeds from any applicable insurance policies;

G. Bankruptcy or insolvency of any of the Company's subsidiaries that is not a Debtor as of the Petition Date, unless prior to filing such subsidiary becomes a

Loan Party and within five (5) business days of filing, such subsidiary's chapter 11 case becomes jointly administered with the Debtors;

H. Commencement of ancillary insolvency proceedings in applicable foreign jurisdictions with respect to any Debtor and the entry of applicable recognition, administrative and substantive orders by the applicable court (other than a proceeding that would not reasonably be expected to have a Material Adverse Effect or cause a material delay of the Chapter 11 Cases), in each case without prior consent of the Required Consenting New Money DIP Lenders or on terms not satisfactory to the Required Consenting New Money DIP Lenders;

I. The occurrence of certain ERISA events (or foreign equivalent), environmental event or other similar reportable events that are not stayed and that result in a claim in excess of $1.0 million;

J. Actual or asserted (by any Loan Party or any affiliate thereof) invalidity or impairment of any DIP Term Loan Facility Document (including the failure of any lien to remain perfected);

K. Change of control;

L. (i) The entry of an order dismissing any of the Chapter 11 Cases or converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(ii) The entry of an order appointing a chapter 11 trustee in any of the Chapter 11 Cases;

(iii) The entry of an order staying, reversing, vacating or otherwise modifying the Interim DIP Order or the Final DIP Order, in each case in a manner adverse in any respect to any DIP Agent and the DIP Lenders;

(iv) The entry of an order in any of the Chapter 11 Cases appointing an examiner having expanded powers (beyond those set forth under sections 1106(a)(3) and (4) of the Bankruptcy Code);

(v) The entry of an order in any of the Chapter 11 Cases denying or terminating use of cash collateral by the Loan Parties or imposing any additional conditions thereon;

(vi) The entry of a final, non-appealable order in any of the Chapter 11 Cases granting relief from any stay of proceeding (including, without limitation, the automatic stay) so as to allow a third party to (i) proceed against any material assets of the Loan Parties in excess of $1.0 million in the aggregate (other than in connection with any Approved Sale conducted by the Debtors in connection with the Chapter 11 Cases) or (ii) pursue other actions that would have a Material Adverse Effect on the Debtors or their estates;

(vii) the filing of any pleading by any Loan Party seeking, or otherwise consenting to, any of the matters set forth in clauses (i) through (vi) above;

(viii) The entry of a final non-appealable order in the Chapter 11 Cases charging any of the DIP Collateral under section 506(c) of the Bankruptcy Code against any DIP Agent, the DIP Lenders or the Prepetition Secured Parties;

(ix) The Loan Parties or any of their subsidiaries, or any person claiming by or through the Loan Parties or any of their subsidiaries, shall obtain court authorization to commence, or shall commence, join in, assist or otherwise participate as an adverse party in any suit or other proceeding against any of the DIP Agents, the DIP Lenders or any Prepetition Secured Parties and their respective rights and remedies under or related to the DIP Term Loan Facility or the DIP Orders in any of the Chapter 11 Cases or inconsistent with the DIP Term Loan Facility Documents and the DIP Orders;

(x) Other than the DIP Orders, the entry of an order in any of the Chapter 11 Cases seeking authority to use cash collateral or to obtain financing under section 364 of the Bankruptcy Code;

(xi) The entry of an order in any of the Chapter 11 Cases granting adequate protection to any other person other than as set forth in the DIP Orders;

(xii) Filing of a chapter 11 plan or disclosure statement that is not acceptable to (A) the Required Consenting New Money DIP Lenders in their sole discretion, (B) with respect to the treatment of the 2024 FILO Claims or the 2024 FILO Roll-Up Claims, acceptable to the Required Consenting 2024 FILO Lenders or the Required Consenting 2024 FILO Roll-Up Lenders, respectively, in their sole discretion, (C) with respect to the treatment of the Prepetition Term Loan Claims, acceptable to the Required Consenting Prepetition Term Lenders in their sole discretion, and (D) with respect to the treatment of the Roll-Up Term Loan Claims, acceptable to the Required Consenting Roll-Up Term Loan Lenders in their sole discretion;

(xiii) Entry of an order or filing of any document by any of the Debtors in any of the Chapter 11 Cases granting or seeking to grant, other than in respect of the DIP Term Loan Facility, the DIP ABL Facility and the Carve-Out or as otherwise permitted under the applicable DIP Term Loan Facility Documents, any claim superpriority administrative expense claim status in the Chapter 11 Cases pursuant to section 364(c)(1) of the Bankruptcy Code *pari passu* with or senior to the claims of the DIP Agents and the DIP Lenders under the DIP Term Loan Facility or secured by liens *pari passu* with or senior to the liens securing the DIP ABL Facility, the 2024 Delayed Draw FILO Obligations, or the Term Loan Obligations or the adequate protection liens granted to the applicable Prepetition Secured Parties;

(xiv) Any of the Loan Parties or any of their subsidiaries shall seek, support (including by filing a pleading in support thereof) or fail to contest in good faith any of the matters set forth in clauses (i) through (xiii) above;

(xv) Termination of the Restructuring Support Agreement;

(xvi) Termination of the Credit Bid Asset Purchase Agreement, if applicable; or

(xvii) Additional customary events of default relating to the Chapter 11 Cases;

M. The making of any payments in respect of prepetition obligations other than (i) as permitted by the Interim DIP Order or the Final DIP Order, (ii) as permitted by any "first day" orders satisfactory to the Required Consenting New Money DIP Lenders, (iii) as set forth under the Approved Budget or (iv) approved by the Required Consenting New Money DIP Lenders in their sole discretion;

N. The Loan Parties or any of their subsidiaries shall fail to comply with the terms of the Interim DIP Order or the Final DIP Order;

O. The Loan Parties or any of their subsidiaries, or any person claiming by or through the Loan Parties or any of their subsidiaries shall obtain court authorization to commence, or shall commence, join in, assist or otherwise participate as an adverse party in any suit or other proceeding against the agents under the Prepetition Facilities or any of the lenders under the Prepetition Facilities relating to the Prepetition Facilities, in their capacities as such;

P. Other than in connection with an Approved Sale, any Debtor shall file (or fail to oppose) any motion seeking an order authorizing the sale of all or substantially all of the assets of the Loan Parties (unless such sale would result in the repayment in full in cash of all obligations under the DIP Term Loan Facility (including the 2024 FILO Roll Up DIP Loans and the Term Loan Roll Up DIP Loans and, the obligations under the DIP ABL Facility;

Q. The entry of the Final DIP Order shall not have occurred within 35 days after the Petition Date;

R. The Bankruptcy Court shall enter an order denying, terminating or modifying (i) the Debtors' exclusive plan filing and plan solicitation periods under section 1121 of the Bankruptcy Code or (ii) the exclusive right of any Debtor to file a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code, unless such order was entered as a result of a request by, or received support from the Required Consenting New Money DIP Lenders;

S. The Bankruptcy Court enters an order approving a sale transaction other than an Approved Sale or denying approval of an Approved Sale Transaction or disallowing any material provision of the Credit Bid Asset Purchase Agreement, if applicable, and such order remains in effect for five (5) Business Days after entry of such order; or

T. The Bidding Procedures Order or the Sale Order is reversed or vacated.

Upon the occurrence of an Event of Default, and concurrently with delivery of the Carve Out Trigger Notice, the DIP Term Loan Agent, on behalf of the DIP Lenders, with the consent of the Required Consenting New Money DIP Lenders, may (and at the direction of the Required Consenting New Money DIP Lenders in their sole and absolute discretion, shall), subject to the terms of the applicable DIP Order do any of the following: (a) (i) enforce all of the guaranty rights; (ii) accelerate all DIP Term Loans and other outstanding DIP Term Loan Facility Obligations and (iii) declare the principal of and accrued interest, premiums, fees and expenses constituting the DIP

Term Loan Facility Obligations to be due and payable and (b) upon five (5) business days' written notice (the "**Remedies Notice Period**"), without further order of the Bankruptcy Court, without the need for filing any motion for relief from the automatic stay or any other pleading, for the limited purpose of permitting the DIP Term Loan Agent and counsel to the DIP Term Loan Agent to foreclose on the DIP Collateral. Relief from the automatic stay imposed by Bankruptcy Code section 362 relief in favor of the DIP Lenders shall be included in any order approving the DIP Term Loan Facility and the use of cash collateral. At any hearing addressing the exercise of remedies by the DIP Term Loan Agent and/or the DIP Lenders under the DIP Term Loan Facility Documents, the only objection that may be raised by the Borrower and the Creditors' Committee shall be whether an Event of Default has in fact occurred and is continuing, and the Borrower and the Creditors' Committee shall waive their right to seek any relief, whether under section 105 of the Bankruptcy Code or otherwise, that would in any way impair, limit, restrict or delay the rights and remedies of the DIP Agents and the DIP Lenders under the DIP Term Loan Facility Documents.

Right to Credit Bid: Subject to entry of the Interim DIP Order, (i) the DIP Term Loan Agent, at the direction of (x) the Required Consenting New Money DIP Lenders, (y) the Required Consenting 2024 FILO Roll-Up Lenders, and (z) the Required Consenting Roll-Up Term Loan Lenders, and (ii) the Term Loan Agent, at the direction of the Required Lenders (as defined in the Term Loan Credit Agreement), shall have the unconditional right to credit bid (either directly or through one or more acquisition vehicles) as part of any asset sale process or plan sponsorship process up to the full amount of the obligations with respect to the (i) (x) New Money DIP Term Loans, (y) 2024 FILO Roll-Up DIP Loans and (z) Term Loan Roll-Up DIP Loans and (ii) the Term Loans, respectively, during any sale of Debtors' assets (in whole or in part), including without limitation, sales occurring pursuant to section 363 of the Bankruptcy Code or included as part of any restructuring plan subject to confirmation under section 1129(b)(2)(A)(ii)-(iii) of the Bankruptcy Code.

Expenses and Indemnification: The Borrower and each Guarantor shall jointly and severally pay or reimburse the DIP Agents and the DIP Lenders for all reasonable and documented out-of-pocket costs and expenses incurred by the DIP Agents and the DIP Lenders (including Akin Gump Strauss Hauer & Feld, LLP, as primary counsel, Schulte Roth & Zabel LLP, as DIP Agents' counsel, Potter Anderson & Corroon LLP, as Delaware counsel, Perella Weinberg Partners LP, as financial advisor/investment banker, Spencer Stuart, as executive search advisor to the DIP Lenders, and business consultants and/or operators retained by the DIP Lenders, and limited, in the case of the legal expenses, to the reasonable and documented attorney's fees, disbursements, and expenses of (a) one primary and one local counsel for the DIP Agents, (b) one local counsel for each relevant jurisdiction, and (c)] additional conflict counsel, to the extent required) in connection with (i) the Chapter 11 Cases generally (including any sale process); (ii) the preparation, negotiation and execution of the DIP Term Loan Facility Documents; (iii) the funding of the DIP Term Loans; (iv) the creation, perfection or protection of the liens under the DIP Term Loan Facility Documents (including all search, filing and recording fees); and (v) the on-going administration of the DIP Term Loan Facility Documents (including the preparation, negotiation and execution of any amendments, consents, waivers, assignments, restatements or supplements thereto).

The Borrower and each Guarantor further agree to jointly and severally pay or reimburse the DIP Agents and the DIP Lenders for all documented out-of-pocket costs and expenses, including documented attorneys' fees and expenses (including Akin Gump Strauss Hauer & Feld, LLP, as primary counsel, Schulte Roth & Zabel LLP, as DIP Agents' counsel, Potter Anderson & Corroon LLP, as Delaware counsel, Perella Weinberg Partners LP, as financial advisor to the DIP Lenders and business consultants and/or operators retained by the DIP Lenders, incurred by the DIP Agents or the DIP Lenders in connection with (i) the enforcement of the DIP Term Loan Facility Documents; (ii) any refinancing or restructuring of the DIP Term Loan Facility in the nature of a "work-out"; and (iii) any legal proceeding relating to or arising out of the DIP Term Loan Facility or the other transactions contemplated by the DIP Term Loan Facility Documents, subject to customary carve-outs.

The Borrower and each Guarantor further agree to jointly and severally pay or reimburse the DIP Escrow Agent for all documented out-of-pocket costs and expenses, including documented attorneys' fees and expenses, incurred by the DIP Escrow Agent in connection with preparation, maintenance and on-going administration of the DIP Escrow Account.

The DIP Term Loan Facility Documents will contain customary indemnification provisions by the Borrower and each Guarantor (jointly and severally) in favor of the DIP Term Loan Agent, DIP Escrow Agent, each DIP Lender (including, for the avoidance of doubt, the Fronting Lender) and each of their respective affiliates, successors and assigns and the respective partners, officers, directors, employees, agents, advisors, controlling persons and members of each of the foregoing and attorneys and representatives of each of the foregoing (each, an "**Indemnified Person**"); *provided* that no Indemnified Person will be indemnified for any losses, claims, damages, liabilities, or related expenses to the extent determined by a final, non-appealable judgment of a court of competent jurisdiction to have been incurred solely by reason of the gross negligence or willful misconduct of such Indemnified Person; and *provided*, *further*, that prior to the DIP Credit Agreement Execution Date all such provisions set forth in the Term Loan Agreement shall be incorporated herein by reference *mutatis mutandis*.

The Borrower and each Guarantor agree jointly and severally to pay or reimburse the Fronting Lender for all reasonable and documented out-of-pocket costs and expenses incurred by the Fronting Lender as set forth in a letter agreement between the Borrower and the Fronting Lender (the "**Fronting Fee Letter**").

Assignments and Participations: Assignments must be in a minimum amount of $1,000,000 (or, if less, the remaining New Money DIP Term Loan Commitments and/or Loans of any assigning DIP Lender); *provided*, *that* no assignment shall be made to disqualified lenders or any person who is not or does not contemporaneously become, or whose affiliate is not or does not contemporaneously become, a "Consenting New Money DIP Lender" under the Restructuring Support Agreement prior to such assignment; and *provided*, *further* that foregoing restrictions, including the minimum assignment amount, shall not apply and no consent of the DIP Term Loan Agent or the Borrower shall be required with respect to the assignments by the Fronting Lender in connection with the initial syndication of the New Money DIP Loans and unused New Money DIP Term Loan Commitments (the "**Initial Syndication**"). No participation shall include

voting rights, other than for certain matters requiring consent of 100% of the DIP Lenders.

Required Consenting New Money DIP Lenders and Supermajority New Money DIP Lenders:

"**Required Consenting New Money DIP Lenders**" shall have the meaning set forth in the Restructuring Support Agreement; *provided*, *however*, that consent of the New Money DIP Lenders holding greater than 66.7% of the outstanding New Money DIP Loan Commitments and/or the New Money DIP Term Loans (the "**Supermajority New Money DIP Lenders**") shall be required for amendments or waivers of compliance with the Approved Budget covenants (including Permitted Variances), the DIP Milestones, the withdrawal conditions from the DIP Escrow Account set forth in Section "Withdrawal Conditions" hereof and the ability to fund New Money DIP Loans following a default or an Event of Default ("**Supermajority Matters**").

To the extent the Supermajority New Money DIP Lenders are unwilling to fund New Money DIP Term Loans or permit the withdrawal of funds by the Borrower from the DIP Escrow Account following an Event of Default or provide consent to any proposed waiver or amendment to any Supermajority Matter to allow such funding or permit such withdrawal of funds from the DIP Escrow Account, other New Money DIP Loan Lenders that are willing to continue to fund New Money DIP Term Loans or consent to a withdrawal of funds from the DIP Escrow Account upon such an event or provide such consent (the "**Continuing New Money DIP Lenders**") may exercise customary "yank-a-bank" provisions by providing a notice to each non-consenting New Money DIP Lender to purchase such non-consenting New Money DIP Lender's New Money DIP Loan in the amount actually funded (exclusive of OID, Upfront Fee and Exit Fee) plus accreted PIK Interest and all accrued and unpaid cash interest on such amount until, but not including, the repayment date, and assume all remaining New Money DIP Term Loan Commitments with respect to the New Money DIP Loans of the non-consenting New Money DIP Lenders who shall be released from all such New Money DIP Term Loan Commitments; *provided*, *that*, the Term Loan Roll-Up DIP Loans of any non-consenting New Money DIP Lenders shall lose superpriority administrative expense claim status and shall receive the same treatment as the Term Loan Obligations in payment and lien waterfalls; and *provided*, *further*, that, for the avoidance of doubt, under no circumstances shall the treatment of the 2024 FILO Roll-Up DIP Loans shall be modified. If such rights are exercised by the Continuing New Money DIP Lenders such that Supermajority New Money DIP Lenders' consent is obtained after giving effect to the exercise of the yank-a-bank, the Continuing New Money DIP Lenders will be unconditionally obligated to purchase the New Money DIP Term Loans and assume all remaining New Money DIP Term Loan Commitments of non-consenting New Money DIP Lenders within 5 business days and the Supermajority Matter will have deemed to have passed on the date of exercise of the foregoing yank-a-bank rights.

Amendments: Except as otherwise set forth herein and for matters requiring Supermajority New Money DIP Lender consent as set forth herein and the DIP Orders and amendments customarily requiring approval by all affected DIP Lenders under the DIP Term Loan Facility, amendments shall require the consent of the Required Consenting New Money DIP Lenders.

Miscellaneous: The DIP Term Loan Facility Documents will include the following (in each case consistent with the Documentation Principles and customary for debtor in possession financings of this type) (i) standard yield protection provisions (including, without

	limitation, provisions relating to compliance with risk-based capital guidelines, increased costs (including the Dodd-Frank Act and Basel III related gross-ups notwithstanding the date of enactment of the applicable law or regulation thereunder, subject to prompt notice requirements) and payments free and clear of withholding taxes (subject to customary qualifications)), (ii) waivers of consequential damages and jury trial, and (iii) normal agency, set-off and sharing language.
Governing Law and Submission to Exclusive Jurisdiction:	State of New York (and, to the extent applicable, the Bankruptcy Code and Bankruptcy Court), without giving effect to any conflicts of laws provision that would dictate the application of another jurisdiction's laws.
DIP Order Governs:	Notwithstanding anything to the contrary herein or in any other DIP Term Loan Facility Documents, the provisions of this DIP Term Sheet Agreement are subject to the terms of the DIP Orders. In the event of a conflict between the terms of the DIP Orders and this DIP Term Sheet, the terms of the DIP Orders shall govern and control.
Counsel to DIP Agents:	Schulte Roth & Zabel LLP
Counsel to DIP Lenders:	Akin Gump Strauss Hauer & Feld LLP and Potter Anderson & Corroon LLP
Financial Advisors/Investment Banker to DIP Lenders:	Perella Weinberg Partners LP

ANNEX A

Senior Secured Debtor in Possession Term Loan Facility

Interest Rates and Fees

Interest Rates:	At the option of the Borrower, New Money DIP Term Loans will bear interest at a rate per annum equal to (a) Term SOFR plus 9.50% or (b) Base Rate plus 8.50% *per annum*; *provided*, that the Borrower shall pay a portion of interest rate equal to Term SOFR plus 1.50% *per annum* or Base Rate plus 0.50% *per annum,* as applicable, in cash and the remaining 8.00% of such interest rate in-kind by adding such interest rate margin to the aggregate outstanding principal balance of the New Money DIP Term Loans (the "**PIK Interest**"). The 2024 FILO Roll-Up DIP Loans and the Term Loan Roll-Up DIP Loans shall bear interest at the *per annum* non-default rate as set forth in the ABL Credit Agreement and the First Lien Credit Agreement, respectively, in each case payable monthly in arrears and such interest shall be payable in kind. "**Floor**" shall be defined as 3.00% per annum. **"Term SOFR**" shall have the meaning ascribed to the term in the Term Loan Credit Agreement; *provided* that if Term SOFR as so determined shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor. For the avoidance of doubt, there shall be no credit spread adjustment. Interest shall be calculated on the basis of the actual number of days elapsed in a 360-day year. Interest shall be payable in arrears monthly, regardless of whether Term SOFR or Base Rate.
OID:	7.00%; to be paid in kind as an original issue discount or added to the principal amount of funded New Money DIP Term Loans in connection with each DIP Draw (the "**OID**").
Upfront Premium:	5.00% of the aggregate New Money DIP Term Loan Commitments; to be paid in kind as an original issue discount or added to the principal amount of funded New Money DIP Term Loans on the Closing Date (the "**Upfront Premium**").
Exit Premium:	6.00%; earned upon any repayment or prepayment of the New Money DIP Term Loans or termination of any or part of the New Money DIP Term Loan Commitments in accordance with the terms of the DIP Term Loan Facility and payable in cash upon such repayment, prepayment or termination, as applicable, including the repayment in full in cash or any other discharge of the New Money DIP Term Loans (the "**Exit Premium**"); *provided*, *however*, that to the extent the New Money DIP Term Loans are discharged as a result of the DIP Term Loan Agent exercising its credit bid rights for the full amount of the New Money DIP Term Loans as provided herein, such Exit Premium shall be satisfied by the credit bidding entity.

Default Rate: 2.00% *per annum* at all times automatically following the occurrence and during the continuation of an Event of Default.

ANNEX B

Senior Secured Debtor in Possession Term Loan Facility

DIP Milestones

DIP Milestone[1]	Deadline
Petition Date:	October 22, 2024
Entry of Interim DIP Order:	Shall have occurred within 3 days of the Petition Date
Filing of Bidding Procedures Motion:	Shall have been filed within 7 days of the Petition Date
Determination as to Necessity / Form of any Canadian Proceedings:	Shall have occurred within 14 days of the Petition Date
Delivery of ABL Exit Financing Proposal Letter Acceptable to the Required Consenting New Money DIP Lenders and Requisite Purchasing Lenders (as defined in the Restructuring Support Agreement) and requisite DIP ABL Lenders:	Shall have occurred within 21 days of the Petition Date
Filing of Stalking Horse APA:	Shall have been filed within 21 days of the Petition Date
Entry of Bidding Procedures Order:	Shall have occurred within 35 days of the Petition Date
Entry of Final DIP Order:	Shall have occurred within 35 days of the Petition Date
ABL Exit Financing Commitment:	Within 45 days of the Petition Date, stalking horse purchaser and the ABL providers shall have executed a commitment letter providing for ABL exit financing on terms and conditions acceptable to the parties thereto
Term Exit Financing Commitment:	Within 45 days of the Petition Date, stalking horse purchaser shall have provided evidence acceptable to the DIP ABL Agent showing commitments from owners of stalking horse purchaser to provide any necessary financing in connection with purchase or operation of the Loan Parties
Bid Deadline:	Within 60 days of the Petition Date
Auction:	Shall have occurred within 65 days of the Petition Date
Entry of Sale Order:	Shall have occurred within 70 days of the Petition Date

[1] Subject to the Bankruptcy Court's availability.

Closing of Sale:[2]	Shall have occurred within 80 days of the Petition Date; *provided*, *however*, that if the successful bidder is a third party (not the purchaser set forth in the Credit Bid Asset Purchase Agreement), then this DIP Milestone can be extended with the consent of the Supermajority New Money DIP Lenders, subject to the DIP ABL Lenders receiving payment in full or otherwise consenting to the treatment of the DIP ABL Facility or extension

[2] Dependent upon required regulatory approvals and related timelines for obtaining such.

ANNEX C

Senior Secured Debtor in Possession Term Loan Facility

Escrow Arrangements; Agency Provisions

(a) Appointment and Authority. Each of the DIP Lenders hereby irrevocably appoints WSFS to act on its behalf as each of (i) the DIP Escrow Agent and (ii) the DIP Term Loan Agent, in each case both hereunder and under the other DIP Term Loan Facility Documents and authorizes each such DIP Agent to take such actions on its behalf and to exercise such powers as are expressly delegated to the DIP Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto.

(b) Collateral Agent. The DIP Term Loan Agent shall also act as the "collateral agent" under the DIP Term Loan Facility Documents, and each of the DIP Lenders hereby irrevocably appoints and authorizes the DIP Term Loan Agent to act as the agent of (and to hold any security interest, charge or other lien created by the DIP Term Loan Facility Documents for and on behalf of or on trust for) such DIP Lender for purposes of acquiring, holding and enforcing any and all liens on DIP Collateral of the DIP Lenders to secure any of the DIP Term Loan Obligations, together with such powers and discretion as are reasonably incidental thereto.

(c) Investment. During the term of the DIP Term Loan Facility, the Escrowed Loan Amount shall be held by the DIP Escrow Agent in the DIP Escrow Account until the DIP Term Loan Facility Termination Date unless required to be distributed earlier pursuant to the terms of this DIP Term Sheet or the DIP Credit Agreement, as applicable. The Escrowed Loan Amount shall remain uninvested and the DIP Escrow Agent shall have no obligation to invest or reinvest the Escrowed Loan Amount.

(d) Return of Escrowed Loan Amount. All or any portion of the Escrowed Loan Amount that remains in the DIP Escrow Account on the DIP Term Loan Facility Termination Date shall be distributed to the New Money DIP Lenders in accordance with their pro rata share of the New Money DIP Term Loans and the receipt by each New Money DIP Lender of its pro rata share of such returned portion of the Escrowed Loan Amount shall constitute a repayment of the corresponding amount of the New Money DIP Loans held by such New Money DIP Lenders for purposes of this DIP Term Sheet or the DIP Credit Agreement, as applicable.

(e) Taxes. The parties hereto intend that each New Money DIP Lender (following the Initial Syndication) be treated as the owner of the portion of the Escrowed Loan Amount it funded into the DIP Escrow Account for all purposes including U.S. federal and applicable state and local income tax purposes. The DIP Agents shall have no responsibility for the tax consequences of the DIP Term Loan Facility and the parties hereto shall consult with independent counsel concerning any and all tax matters. As applicable, the Loan Parties and New Money DIP Lenders, or the Fronting Lender, as applicable, shall provide each DIP Agent with IRS Form W-9 and an original IRS Form W-8, as applicable, for each payee, together with any other documentation and information reasonably requested by any DIP Agent in connection with such DIP Agent's reporting obligations under applicable IRS regulations, if any. The New Money DIP Lenders agree to assume all obligations imposed now or hereafter by any applicable tax law or regulation with respect to payments or performance under the DIP Term Loan Facility with respect to the

New Money DIP Loans and indemnify and hold each DIP Agent harmless hereunder and pursuant to the DIP Term Loan Facility Documents from any liability or obligation on account of taxes, assessments, additions for late payment, interest, penalties, expenses and other governmental charges, if any, that may be assessed or asserted against such DIP Agent and shall reimburse such DIP Agent for any such amounts paid thereby within two (2) Business Days of request therefor by such DIP Agent. All payments to be made to any DIP Agent under the DIP Term Loan Facility must be made without any set-off or counterclaim and free from any deduction or withholding for or on account of any tax.

(f) Escrow Agent Duties.

The DIP Agents shall have only those duties as are specifically and expressly provided herein, which shall be deemed purely ministerial in nature, and no other duties, including, but not limited to, any trust or fiduciary duty, shall be created or implied. The use of the term "agent" in this DIP Term Sheet and in the DIP Term Loan Facility Documents with reference to any DIP Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an administrative relationship between independent contracting parties. Each DIP Agent shall not be deemed to assume any obligations or liabilities of any of the DIP Lenders under the DIP Term Loan Facility Documents. Notwithstanding anything to the contrary, each DIP Agent has no knowledge of, nor any obligation to comply with, nor any responsibility for, the terms and conditions of any DIP Term Loan Facility Document that are not expressly applicable to it nor other agreement among the parties hereto and each DIP Agent shall not be responsible for determining the meaning of any capitalized term not entirely defined herein, nor shall any DIP Agent be required to determine if any party hereto has complied with any other agreement or document. Without limiting the foregoing, each DIP Agent shall not be deemed to have knowledge or notice of the occurrence of any default or event of default, except with respect to defaults in the payment of principal, interest and fees required to be paid to each DIP Agent (under the DIP Term Loan Facility Documents), unless each DIP Agent shall have received written notice from a DIP Lender or the Borrower referring to this DIP Term Sheet, describing such default or event of default and stating that such notice is a "notice of default." Each DIP Agent will notify the DIP Lenders of its receipt of any such notice. Each DIP Agent shall have no knowledge of, or duty to determine, or responsibility for, whether any conditions set forth in section "Withdrawal Conditions" of the DIP Term Sheet have been satisfied or waived. Each DIP Agent shall have no duty or obligation to ensure that funds withdrawn from the DIP Escrow Account are applied for the purpose for which they are withdrawn. Notwithstanding the terms of any other agreement between the parties hereto, the terms and conditions of the DIP Term Loan Facility Documents shall control the actions of the DIP Agent with respect to the Escrowed Loan Amount. Upon request of the Required Consenting New Money DIP Lenders, the DIP Escrow Agent shall provide the DIP Lenders with copies of banking statements with respect to the DIP Escrow Account.

Any DIP Agent may conclusively rely upon (i) any writing, communication, signature, resolution, representation, notice, request, consent, certificate, instrument, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation delivered by the parties hereto believed by it in good faith to be genuine and to have been signed by an authorized representative(s), as applicable, without inquiry and without requiring substantiating evidence of any kind and each DIP Agent shall be under no duty to inquire into or investigate the validity, accuracy or content of any such writing, communication, signature, resolution, representation,

notice, request, consent, certificate, instrument, affidavit, letter, telegram, facsimile, telex or telephone message, electronic mail message, statement or other document or conversation (including without limitation any Loan Withdrawal Notice) and (ii) advice and statements of legal counsel, independent accountants and other experts selected by such DIP Agent and shall not incur any liability for relying thereon.

Each DIP Agent shall be fully justified in failing or refusing to take any action under any DIP Term Loan Facility Document unless it shall first receive such advice or concurrence of the DIP Lenders as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the DIP Lenders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each DIP Agent shall in all cases be fully protected in acting, or in refraining from acting, under this DIP Term Sheet or any other DIP Term Loan Facility Document in accordance with a request or consent of the Required Consenting New Money DIP Lenders (or such greater number of New Money DIP Lenders as may be expressly required hereby in any instance) and such request and any action taken or failure to act pursuant thereto shall be binding upon all the DIP Lenders. Each DIP Agent may consult legal counsel selected by it in the event of any dispute or question as to the construction of any of the provisions of the DIP Term Loan Facility Documents or of any other agreement or of its duties hereunder, or relating to any dispute involving any party hereto, and shall incur no liability and shall be fully indemnified from any liability whatsoever in acting in accordance with the reasonable opinion or advice of such counsel or other advisors. Without limiting the foregoing, whether or not the transactions contemplated by this DIP Term Sheet are consummated, the DIP Lenders shall indemnify upon demand each DIP Agent, each of their respective affiliates, and the officers, directors, employees, agents and attorneys-in-fact of each such DIP Agent and such respective affiliates (each an "**Agent-Related Person**") (to the extent not reimbursed by or on behalf of any Loan Party and without limiting the obligation of any Loan Party to do so), pro rata, and hold harmless each DIP Agent and Agent-Related Person from and against any and all liabilities incurred by it in its capacity as DIP Agent; *provided* that no DIP Lender shall be liable for the payment to any DIP Agent or related-person of any portion of such liabilities resulting from such Agent or related-person's own gross negligence or willful misconduct, as determined by the final and non-appealable judgment of a court of competent jurisdiction; *provided* that no action taken in accordance with the directions of the Required Consenting New Money DIP Lenders (or such other number or percentage of the New Money DIP Lenders as shall be required) shall be deemed to constitute gross negligence or willful misconduct. In the case of any investigation, litigation or proceeding giving rise to any liabilities, the DIP Lenders shall indemnify each DIP Agent or any Agent-Related Person whether any such investigation, litigation or proceeding is brought by any DIP Lender or any other person. Without limitation of the foregoing, each DIP Lender shall reimburse each DIP Agent upon demand for its ratable share of any costs or out-of-pocket expenses (including attorney's costs) incurred by any DIP Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiations, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this DIP Term Sheet, any other DIP Term Loan Facility Document, or any document contemplated by or referred to herein, to the extent that any DIP Agent is not reimbursed for such expenses by or on behalf of the Borrower, provided that such reimbursement by the DIP Lenders shall not affect the Borrower's continuing reimbursement obligations with respect thereto, if any. The Loan Parties shall promptly pay, upon demand, the reasonable and documented fees and expenses of any such counsel or other advisors of each DIP Agent.

The parties hereto agree to perform or cause to be performed all further acts and things, and execute and deliver such further documents, as may be required by law or as each DIP Agent may reasonably request in connection with its duties hereunder. EACH DIP AGENT SHALL NOT BE LIABLE TO ANY PERSON FOR ANY ACTION TAKEN, SUFFERED OR OMITTED TO BE TAKEN BY IT IN GOOD FAITH EXCEPT TO THE EXTENT THAT SUCH DIP AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AS DETERMINED BY A FINAL AND NON-APPEALABLE ORDER OF A COURT OF COMPETENT JURISDICTION, WAS THE CAUSE OF ANY DIRECT LOSS TO ANY SUCH PERSON. Each DIP Agent may execute any of its duties under this DIP Term Sheet or any other DIP Term Loan Facility Document (including for purposes of holding or enforcing any lien on the DIP Collateral (or any portion thereof) granted under the DIP Term Loan Facility Documents or of exercising any rights and remedies thereunder) by or through affiliates, agents, employees, attorneys-in-fact and/or such sub-agents as shall be deemed necessary by such DIP Agent, and shall be entitled to advice of counsel, both internal and external, and other consultants or experts concerning all matters pertaining to such duties. No Agent shall be responsible for the negligence or misconduct of any agent or sub-agent or attorney-in-fact that it selects in the absence of its own gross negligence or willful misconduct in such selection. In the event any DIP Agent shall be uncertain, or believes there is some ambiguity, as to its duties or rights hereunder or receives instructions, claims or demands from any party hereto which in such DIP Agent's good faith judgment conflict with the provisions of the DIP Term Loan Facility Documents, or if such DIP Agent receives conflicting instructions from any of the parties hereto or party to the DIP Term Loan Facility Documents, such DIP Agent shall be entitled either to: (a) refrain from taking any action until it shall be given (i) a written instructions of the Required Consenting New Money DIP Lenders (and, if applicable, the Borrower) or (ii) a final and binding and non-appealable court order issued by a court of competent jurisdiction (it being understood that each DIP Agent shall be entitled conclusively to rely and act upon any such court order and shall have no obligation to determine whether any such court order is final); or (b) file an action in interpleader.

As to any matters not expressly provided for by this DIP Term Sheet or any other DIP Term Loan Facility Document, each DIP Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder or thereunder in accordance with written instructions given by the Required Consenting New Money DIP Lenders (or, where expressly required by the terms of any DIP Term Loan Facility Document, a greater proportion of the New Money DIP Lenders), and such instructions, and any action taken or failure to act pursuant thereto, shall be binding on all DIP Lenders. No DIP Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the DIP Term Loan Facility Documents that such DIP Agent is required to exercise as directed in writing by the Required Consenting New Money DIP Lenders (or such other number or percentage of the New Money DIP Lenders as shall be expressly provided for in the DIP Term Loan Facility Documents); *provided* that such DIP Agent shall not be required to take any action that, in its judgment or the judgment of its counsel, may expose such Agent to liability or that is contrary to any DIP Term Loan Facility Document or applicable law. No DIP Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Consenting New Money DIP Lenders (or such other number or percentage of the New Money DIP Lenders as shall be expressly provided for in the DIP Term Loan Facility Documents), or in the absence of its own gross negligence or willful misconduct, as determined by the final and non-appealable judgment of a court of competent jurisdiction, in connection with its duties expressly set forth herein. No DIP Agent shall have any liability

to the parties hereto or any other person with respect to any such suspension of performance or disbursement into court, specifically including any liability or claimed liability that may arise, or be alleged to have arisen, out of or as a result of any delay in the disbursement of the Escrowed Loan Amount or any delay in or with respect to any other action required or requested of such DIP Agent. Each DIP Agent shall have no liability to the parties hereto or any other person with respect to any failure or delay in acting upon any communication by reason of any cause beyond such DIP Agent's control, including, without limitation, any breakdown or failure of transmission, or in the case of any corrupted, lost, delayed or incomplete transmission. Each DIP Agent shall have no duty to solicit any payments which may be due to it or the Escrowed Loan Amount, nor shall any DIP Agent have any duty or obligation to confirm or verify the accuracy or correctness of any amounts deposited with it hereunder. Without limiting the generality of the foregoing, each DIP Agent shall not be required under any circumstances to cause or permit the DIP Escrow Account to be overdrawn. No DIP Agent shall be required to risk or expand its own funds in performing its obligations hereunder or under any other DIP Term Loan Facility Document or to take any action which in its reasonable judgment may cause it to incur any expense or financial or other liability for which it is not indemnified to its satisfaction. The rights, privileges and immunities of the DIP Agents otherwise set forth in the DIP Term Loan Facility Documents and the other Loan Documents shall apply to the actions of each DIP Agent hereunder. ANYTHING IN THE DIP TERM LOAN FACILITY DOCUMENTS TO THE CONTRARY NOTWITHSTANDING, IN NO EVENT SHALL THE DIP AGENT BE LIABLE FOR SPECIAL, INCIDENTAL, PUNITIVE, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS), EVEN IF SUCH DIP AGENT HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH LOSS OR DAMAGE AND REGARDLESS OF THE FORM OF ACTION, IN EACH CASE OTHER THAN IN THE EVENT OF SUCH DIP AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, AS DETERMINED BY A FINAL AND NON-APPEALABLE ORDER OF A COURT OF COMPETENT JURISDICTION.

(g) Following Court Orders. In the event that a legal garnishment, attachment, levy, restraining notice, court order or other governmental order (each, a "**Directive**") is served with respect to any of the Escrowed Loan Amount that remains in the DIP Escrow Account, or the delivery thereof shall be stayed or enjoined by a Directive, each DIP Agent is hereby expressly authorized to obey and comply with all such Directives so entered or issued, and in the event that each DIP Agent obeys or complies with any such Directive it shall not be liable to either of the parties hereto or to any other person by reason of such compliance, notwithstanding such Directive is subsequently reversed, modified, annulled, set aside or vacated.

(h) Termination of DIP Escrow Agent's Duties. The DIP Escrow Agent's obligations hereunder will be discharged and its duties will terminate upon the occurrence of any of the following events: (a) the DIP Escrow Agent has distributed all of the Loan Escrow Amount pursuant in accordance with the DIP Term Loan Facility Documents, or (b) the DIP Escrow Agent has resigned in accordance with the DIP Term Loan Facility Documents. The DIP Escrow Agent may at any time resign hereunder by giving at least thirty (30) days prior written notice and upon the effective date of such resignation, the Escrowed Loan Amount shall be delivered by the DIP Escrow Agent to such person or entity as may be designated in writing by the Required Consenting New Money DIP Lenders, whereupon all the DIP Escrow Agent's obligations hereunder shall cease and terminate. If no such person shall have been designated by such date, the DIP Escrow Agent's sole responsibility thereafter shall be to keep safely the Escrowed Loan

Amount then held by it and to reliver the same to a person designated by the Required Consenting New Money DIP Lenders or in accordance with the direction of a final order of a court of competent jurisdiction.

(i) Force Majeure. No DIP Agent shall be required to perform any of its obligations under the DIP Term Loan Facility Documents if it is prevented from so doing by the occurrence of any event due to any cause beyond its control or if such performance would result in such DIP Agent or its immediate or ultimate parent company being in breach of any law, regulation, ordinance, rule, directive, judgment, order or decree binding on such DIP Agent or its property or on its immediate or ultimate parent company. Each DIP Agent may act or refrain from acting under this DIP term Sheet or the DIP Credit Agreement, as applicable, and may do anything which (in its reasonable opinion after consulting with counsel) is necessary to comply with any such law, regulation, ordinance, rule, directive, judgment, order or decree. Each DIP Agent may use (and its performances will be subject to the rules of) any communications, clearing or payment systems, intermediary bank, or other system in performing any of its duties hereunder or under any of the DIP Term Loan Facility Documents.

EXHIBIT A

Form of Loan Withdrawal Notice

[Date][1]

To: Wilmington Savings Fund Society, FSB, as DIP Term Loan Agent

Ladies and Gentlemen:

Reference is hereby made to that certain Senior Secured Debtor In Possession Term Loan Facility Summary of Terms and Conditions (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**DIP Term Sheet**"), to which this Exhibit A is attached. Terms defined in the DIP Term Sheet Agreement are used herein with the same meanings.

Pursuant to the terms of the DIP Term Sheet, the Borrower hereby submits a withdrawal request (this "**Withdrawal Notice**") for the amount of $[_____] (the "**Loan Withdrawal Amount**"). The date of the Loan Withdrawal (the "**Proposed Withdrawal Date**") is [_____], which is a business day.

The proceeds of the Loan Withdrawal Amount are to be disbursed as follows:

[INSERT ACCOUNT INFORMATION FOR LOAN PROCEEDS DEPOSIT ACCOUNT OR OTHER WIRE INSTRUCTIONS THEREFOR].

This Withdrawal Notice shall be deemed to be a representation by the Borrower that the following statements will be true on the Proposed Withdrawal Date:

1. The representations and warranties of the Loan Parties set forth herein shall be true and correct in all material respects on and as of the Proposed Withdrawal Date as though made on and as of such Proposed Withdrawal Date, 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.

2. No default or Event of Default shall have occurred and be continuing on such Proposed Withdrawal Date or after giving effect to the Loan Withdrawal requested to be made.

3. The Borrower shall have prepared and provided to the DIP Term Loan Agent an attachment, signed by a chief financial officer or a treasurer of the Borrower, to each Loan Withdrawal Notice certifying the proceeds of such Loan Withdrawal shall be used pursuant to the Approved Budget (subject to Permitted Variances).

4. The applicable Approved Budget shall be in full force and effect on and as of the Proposed Withdrawal Date, and the withdrawal shall be in accordance with such Approved Budget (subject to Permitted Variances).

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[1] The DIP Term Loan Agent shall have received this Form by no later than 12:00 Noon (New York City time) one Business Day prior for a proposed funding of such Loan Withdrawal on the immediately following Business Day.

5. The applicable Approved Budget shall be in full force and effect on and as of the Proposed Withdrawal Date, and the withdrawal shall be in accordance with such Approved Budget (subject to Permitted Variances).

6. The Loan Parties shall have satisfied each of the DIP Milestones (to the extent such DIP Milestone occurs prior to the Proposed Withdrawal Date) on or prior to the Proposed Withdrawal Date.

7. Since the Closing Date there shall be no changes to the Certain ABL Components unless such changes have been made in compliance with the terms hereof.

8. By delivery of this Loan Withdrawal Notice (and acceptance of this Loan Withdrawal), the Borrower is deemed to have further represented and warranted to the Lenders that (a) the calculations of the amounts requested to be withdrawn pursuant to such Loan Withdrawal are reasonable and accurate based on the facts and circumstances in existence at the time of its preparation, calculation and delivery and (b) the proceeds of such Loan Withdrawal shall be used pursuant to the Approved Budget (subject to Permitted Variances).

[*signature page follows*]

IN WITNESS WHEREOF, the undersigned responsible officer of the Borrower hereby certifies that the information contained herein is true and correct as of the date hereof.

AMERICAN TIRE DISTRIBUTORS, INC., as a Borrower

By: _____
Name:
Title:

SCHEDULE 1

Subsidiaries Guarantors

1. ATD Sourcing Solutions, LLC
2. Terry's Tire Town Holdings, LLC
3. The Hercules Tire & Rubber Company
4. Tire Pros Francorp, LLC
5. Tirebuyer.com, LLC
6. Torqata Data and Analytics LLC
7. FLX FWD Logistics, LLC
8. ATD Technology Solutions Inc.
9. Hercules Tire International Inc.

EXHIBIT E

Provision for Transfer Agreement

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of _____ (the "**Agreement**"),[1] by and among American Tire Distributors, Inc. and its affiliates and subsidiaries bound thereto and the Consenting Stakeholders, including the transferor to the Transferee of any Company Claims/Interests (each such transferor, a "**Transferor**"), and agrees to be bound by the terms and conditions thereof to the extent the Transferor was thereby bound, and shall be deemed a "Consenting Stakeholder" and a "Consenting Stakeholder" under the terms of the Agreement.

The Transferee specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date of the Transfer, including the agreement to be bound by the vote of the Transferor if such vote was cast before the effectiveness of the Transfer discussed herein.

Date Executed:

_____
Name:
Title:
Address:
E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Revolving Credit Claims	
FILO Claims	
Term Loan Claims	
2024 FILO Claims	
Equity Interests	

[1] Capitalized terms used but not otherwise defined herein shall having the meaning ascribed to such terms in the Agreement.

EXHIBIT F

Joinder Agreement

The undersigned ("**Joinder Party**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of _____ (the "**Agreement**"),[1] by and among American Tire Distributors, Inc. and its affiliates and subsidiaries bound thereto and the Consenting Stakeholders, and agrees to be bound by the terms and conditions thereof to the extent that the other Parties are thereby bound, and shall be deemed a "Consenting Stakeholder" and a "Consenting Stakeholder" under the terms of the Agreement.

The Joinder Party specifically agrees to be bound by the terms and conditions of the Agreement and makes all representations and warranties contained therein as of the date this Joinder Agreement is executed and any further date specified in the Agreement.

Date Executed:

_____
Name:
Title:
Address:
E-mail address(es):

Aggregate Amounts Beneficially Owned or Managed on Account of:	
Revolving Credit Claims	
FILO Claims	
Term Loan Claims	
2024 FILO Claims	
Equity Interests	

[1] Capitalized terms used but not otherwise defined herein shall having the meaning ascribed to such terms in the Agreement.