Section 1: 10-Q (10-Q)

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

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended January 31, 2018

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 000-14798

American Woodmark Corporation
(Exact name of registrant as specified in its charter)

Virginia	54-1138147
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3102 Shawnee Drive, Winchester, Virginia	22601
(Address of principal executive offices)	(Zip Code)

(540) 665-9100
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes X No ____

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

Large accelerated filer	[X]		Accelerated filer	[ ]
Non-accelerated filer	[ ]	(Do not check if a smaller reporting company)	Smaller reporting company	[ ]
Emerging growth company	[ ]			

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the

Exchange Act. [ ]

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ___ No X

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

As of March 9, 2018, 17,503,330 shares of the Registrant’s Common Stock were outstanding.

AMERICAN WOODMARK CORPORATION

FORM 10-Q

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)
(Unaudited)

	January 31, 2018	April 30, 2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 139,624	$ 176,978
Investments - certificates of deposit	8,000	51,750
Customer receivables, net	121,777	63,115
Inventories	108,003	42,859
Income tax receivable	27,353	—
Prepaid expenses and other	10,311	4,526
Total current assets	415,068	339,228
Property, plant and equipment, net	210,628	107,933
Investments - certificates of deposit	2,500	20,500
Customer relationship intangibles, net	270,194	—
Trademarks, net	9,722	—
Goodwill, net	765,743	—
Promotional displays, net	12,925	5,745
Deferred income taxes	—	18,047
Other assets	15,209	9,820
TOTAL ASSETS	$ 1,701,989	$ 501,273
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 65,052	$ 41,312
Current maturities of long-term debt	14,864	1,598
Accrued compensation and related expenses	46,712	36,162
Accrued marketing expenses	18,767	8,655
Other accrued expenses	37,301	13,770
Total current liabilities	182,696	101,497
Long-term debt, less current maturities	881,585	15,279
Deferred income taxes	63,569	—
Defined benefit pension liabilities	6,306	28,032
Other long-term liabilities	5,187	4,016
Shareholders' equity		
Preferred stock, $1.00 par value; 2,000,000 shares authorized, none issued	—	—
Common stock, no par value; 40,000,000 shares authorized; issued and outstanding shares: at January 31, 2018: 17,503,330; at April 30, 2017: 16,232,775	360,586	168,835
Retained earnings	241,727	224,031
Accumulated other comprehensive loss - Defined benefit pension plans	(39,667)	(40,417)
Total shareholders' equity	562,646	352,449
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,701,989	$ 501,273

See notes to condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share and per share data)
(Unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2018	2017	2018	2017
Net sales	$ 292,791	$ 249,285	$ 844,387	$ 771,511
Cost of sales and distribution	242,412	197,689	678,179	604,446
Gross Profit	50,379	51,596	166,208	167,065
Selling and marketing expenses	19,167	18,519	55,397	52,128
General and administrative expenses	23,492	11,476	41,442	33,083
Operating Income	7,720	21,601	69,369	81,854
Interest expense	4,498	447	4,603	776
Other income	(542)	(619)	(1,833)	(1,085)
Income Before Income Taxes	3,764	21,773	66,599	82,163
Income tax expense	1,768	7,220	22,567	28,312
Net Income	$ 1,996	$ 14,553	$ 44,032	$ 53,851
Weighted Average Shares Outstanding				
Basic	16,578,235	16,241,670	16,349,716	16,267,333
Diluted	16,690,760	16,381,223	16,461,509	16,400,842
Net earnings per share				
Basic	$ 0.12	$ 0.90	$ 2.69	$ 3.31
Diluted	$ 0.12	$ 0.89	$ 2.67	$ 3.28

See notes to condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(Unaudited)

	Three Months Ended January 31,		Nine Months Ended January 31,	
	2018	2017	2018	2017
Net income	$ 1,996	$ 14,553	$ 44,032	$ 53,851
Other comprehensive income, net of tax:				
Change in pension benefits, net of deferred taxes of $(138) and $(173), and $(450) and $(518), for the three and nine months ended January 31, 2018 and 2017, respectively	262	270	750	810
Total Comprehensive Income	$ 2,258	$ 14,823	$ 44,782	$ 54,661

See notes to condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands)
(Unaudited)

(in thousands, except share data)	COMMON STOCK SHARES	COMMON STOCK AMOUNT	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL SHAREHOLDERS' EQUITY
Balance, May 1, 2016	16,244,041	$ 163,290	$ 164,756	$ (47,285)	$ 280,761
Net income	—	—	53,851	—	53,851
Other comprehensive loss, net of tax	—	—	—	810	810
Stock-based compensation	—	2,477	—	—	2,477
Exercise of stock-based compensation awards, net of amounts withheld for taxes	122,522	626	—	—	626
Stock repurchases	(178,118)	(1,483)	(11,924)	—	(13,407)
Employee benefit plan contributions	44,080	2,926	—	—	2,926
Balance, January 31, 2017	16,232,525	$ 167,836	$ 206,683	$ (46,475)	$ 328,044
Balance, May 1, 2017	16,232,775	$ 168,835	$ 224,031	$ (40,417)	$ 352,449
Net income	—	—	44,032	—	44,032
Other comprehensive loss, net of tax	—	—	—	750	750
Stock-based compensation	—	2,506	—	—	2,506
Exercise of stock-based compensation awards, net of amounts withheld for taxes	86,335	(1,494)	—	—	(1,494)
Stock issuance related to acquisition	1,457,568	189,849	—	—	189,849
Stock repurchases	(309,612)	(2,664)	(26,336)	—	(29,000)
Employee benefit plan contributions	36,264	3,554	—	—	3,554
Balance, January 31, 2018	17,503,330	$ 360,586	$ 241,727	$ (39,667)	$ 562,646

See notes to condensed consolidated financial statements.

AMERICAN WOODMARK CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Nine Months Ended January 31,	
	2018	2017
OPERATING ACTIVITIES		
Net income	$ 44,032	$ 53,851
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	21,662	13,719
Net loss on disposal of property, plant and equipment	266	286
Stock-based compensation expense	2,506	2,477
Deferred income taxes	13,839	10,173
Pension contributions in excess of expense	(20,526)	(27,706)
Contributions of employer stock to employee benefit plan	3,554	2,926
Other non-cash items	(546)	(429)
Changes in operating assets and liabilities:		
Customer receivables	(3,577)	(3,767)
Income taxes receivables	(8,652)	—
Inventories	235	(2,571)
Prepaid expenses and other assets	(6,639)	(1,983)
Accounts payable	(1,373)	(2,110)
Accrued compensation and related expenses	(4,495)	2,598
Other accrued expenses	8,595	4,200
Net cash provided by operating activities	48,881	51,664
INVESTING ACTIVITIES		
Payments to acquire property, plant and equipment	(31,198)	(13,654)
Proceeds from sales of property, plant and equipment	14	37
Acquisition of business, net of cash acquired	(57,200)	—
Purchases of certificates of deposit	(25,000)	(57,250)
Maturities of certificates of deposit	86,750	23,000
Investment in promotional displays	(1,721)	(3,867)
Net cash used by investing activities	(28,355)	(51,734)
FINANCING ACTIVITIES		
Payments of long-term debt	(21,397)	(1,290)
Proceeds from long-term debt	734	2,687
Proceeds from issuance of common stock	1,286	2,359
Repurchase of common stock	(29,000)	(13,407)
Notes receivable, net	—	208
Withholding of employee taxes related to stock-based compensation	(2,779)	(1,734)
Debt issuance cost	(6,724)	—
Net cash used by financing activities	(57,880)	(11,177)
Net decrease in cash and cash equivalents	(37,354)	(11,247)
Cash and cash equivalents, beginning of period	176,978	174,463
Cash and cash equivalents, end of period	$ 139,624	$ 163,216

Supplemental cash flow information:				
Non-cash investing and financing activities:				
Long-term debt related to funding acquisition	$	300,000	$	—
Stock issuance in connection with acquisition	$	189,849	$	—
Property, plant and equipment	$	4,687	$	—
Net other assets and liabilities related to acquisition	$	6,154	$	—
Cash paid during the period for:				
Interest	$	272	$	435
Income taxes	$	17,920	$	19,966

See notes to condensed consolidated financial statements.

Note A--Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete consolidated financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine-month period ended January 31, 2018 are not necessarily indicative of the results that may be expected for the fiscal year ending April 30, 2018. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2017 filed with the U.S. Securities and Exchange Commission ("SEC"). On December 29, 2017, the Company successfully completed the acquisition of RSI Home Products, Inc. and subsidiaries ("RSI"). As a result of the RSI acquisition, the financial results of the Company for the three- and nine-month periods ended January 31, 2018 include the results of operation of RSI and its subsidiaries since the date of acquisition.

Inventory: Inventories are stated at lower of cost or market. Inventory costs are determined by the last-in, first-out (LIFO) method and for certain subsidiaries by the first-in, first-out (FIFO) method.

The LIFO cost reserve is determined in the aggregate for inventory and is applied as a reduction to inventories determined on the FIFO method. FIFO inventory cost approximates replacement cost.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during each reporting period. Examples of estimates include the allocation of fair value to assets acquired and liabilities assumed in acquisitions, pension obligations, useful lives of property and equipment and recoverability of goodwill and other intangible assets. Actual results could differ from those estimates.

Goodwill and Other Intangible Assets: Goodwill represents the excess of purchase price over the net amount of identifiable assets acquired and liabilities assumed in a business combination measured at fair value. The Company does not amortize goodwill but evaluates for impairment annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

When testing goodwill for impairment, an entity has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill is impaired. If after such assessment an entity concludes that the asset is not impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the asset using a quantitative impairment test, and if impaired, the associated assets must be written down to fair value. There were no impairment charges related to goodwill for the three- and nine-month periods ended January 31, 2018 and 2017.

The Company amortizes the cost of other intangible assets over their estimated useful lives, which range up to six years, unless such lives are deemed indefinite. There were no impairment charges related to other intangible assets for the three- and nine-month periods ended January 31, 2018 and 2017.

Note B--New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers: Topic 606." ASU 2014-09 supersedes the revenue recognition requirements in "Accounting Standard Codification 605 - Revenue Recognition" and most industry-specific guidance. The standard requires that entities recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. ASU 2014-09 permits the use of either the retrospective or cumulative effect transition method. In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date." ASU 2015-14 defers the effective date of ASU 2014-09 by one year to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that period. The Company does not expect the adoption of ASU 2014-09 and ASU 2015-14 to have a material

impact on results of operations, cash flows and financial position. The Company is continuing to evaluate the impact of ASU 2014-09 primarily to determine the transition method to utilize at adoption and the additional disclosures required.

In February 2016, the FASB issued ASU No. 2016-02, "Leases (Topic 842)." ASU 2016-02 requires lessees to recognize most leases on-balance sheet, which will increase reported assets and liabilities. Lessor accounting remains substantially similar to current U.S. GAAP. ASU 2016-02 supersedes "Topic 840 - Leases." ASU 2016-02 is effective for public companies for annual and interim periods in fiscal years beginning after December 15, 2018. ASU 2016-02 mandates a modified retrospective transition method for all entities. The Company is currently assessing the impact that ASU 2016-02 will have on its consolidated financial statements.

In March 2017, the FASB issued ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost." ASU 2017-07 requires an employer to disaggregate the service cost component from the other components of net benefit (income) cost. The other components of net benefit (income) cost are required to be presented in the income statement separately from the service cost component and outside of operating income. The amendments also allow only the service cost component of net benefit (income) cost to be eligible for capitalization. The amendments in this ASU are effective for fiscal years beginning after December 15, 2017. The amendments in this ASU should be applied (1) retrospectively for the presentation of the service cost component and the other components of net periodic pension (income) cost and net periodic postretirement benefit (income) cost on the income statement, and (2) prospectively, on and after the effective date, for the capitalization of the service cost component of net periodic pension (income) cost and net periodic postretirement benefit (income) cost in assets. The Company believes this guidance will not have a material impact on its results of operations, cash flows and financial position.

In February 2018, the FASB issued ASU No. 2018-02, "Income Statement - Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income." ASU 2018-02 allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from
the Tax Cuts and Jobs Act. The amendments in this ASU are effective for annual and interim periods in fiscal years beginning after December 15, 2018. The Company is currently assessing the impact that ASU 2018-02 will have on its consolidated financial statements.

Note C-- Acquisition of RSI Home Products, Inc. (the "RSI Acquisition")

On November 30, 2017, American Woodmark, Alliance Merger Sub, Inc. ("Merger Sub"), RSI Home Products, Inc. ("RSI") and Ronald M. Simon, as the RSI stockholder representative, entered into a merger agreement (the merger agreement"), pursuant to which the parties agreed to merge Merger Sub with and into RSI pursuant to the terms and subject to the conditions set forth in the Merger Agreement, with RSI continuing as the surviving corporation and as a wholly owned subsidiary of American Woodmark. On December 29, 2017 (the "Acquisition Date"), the Company consummated the RSI Acquisition pursuant to the terms of the Merger Agreement. As a result of the merger of Merger Sub with and into RSI, Merger Sub’s separate corporate existence ceased, and RSI continued as the surviving corporation and a wholly owned subsidiary of American Woodmark. RSI is a leading manufacturer of kitchen and bath cabinetry and home organization products. The acquisition is expected to enable the Company to make further progress in implementing its business strategy of increasing operational efficiency to drive enhanced profitability, leveraging differentiated service platforms to grow revenue, and continuing to deepen relationships within its existing customer base.

In connection with the RSI Acquisition, on December 29, 2017, the Company entered into a credit agreement (the "Credit Agreement") with a syndicate of lenders and Wells Fargo Bank, National Association ("Wells Fargo"), as administrative agent, providing for a $100 million, 5-year revolving loan facility with a $25 million sub-facility for the issuance of letters of credit (the “Revolving Facility”), a $250 million, 5-year initial term loan facility (the "Initial Term Loan") and a $250 million delayed draw term loan facility (the "Delayed Draw Term Loan" and, together with the Revolving Facility and the Initial Term Loan, the "Credit Facilities") (See Note M--*Loans Payable and Long-Term Debt* for further details). American Woodmark used the full proceeds of the Initial Term Loan and approximately $50 million in loans under the Revolving Facility, together with cash on its balance sheet, to fund the cash portion of the RSI Acquisition consideration and its transaction fees and expenses.

At the closing of the RSI Acquisition, American Woodmark assumed approximately $589 million (including accrued interest) of RSI’s indebtedness consisting largely of RSI’s 6½% Senior Secured Second Lien Notes due 2023 (the "RSI Notes"). (See Note M--*Loans Payable and Long-Term Debt*).

Preliminary Allocation of Purchase Price to Assets Acquired and Liabilities Assumed

As consideration for the RSI Acquisition, American Woodmark paid total accounting consideration of $553.2 million including (i) cash consideration of $363.3 million, net of cash acquired, and (ii) 1,457,568 newly issued shares of American Woodmark common stock valued at $189.8 million based on $130.25 per share, which was the closing stock price on the Acquisition Date. The consideration paid is subject to a working capital adjustment by which the consideration will be adjusted upward or downward depending on whether the amount of working capital delivered at the Acquisition Date exceeds or is less than a target amount. The working capital adjustment has not yet been finalized and the accounting consideration does not reflect any adjustment to the estimated working capital reflected in the consideration paid at the Acquisition Date.

The Company accounted for the acquisition of RSI as a business combination, which requires the Company to record the assets acquired and liabilities assumed at fair value. The amount by which the purchase price exceeds the fair value of net assets acquired is recorded as goodwill. The Company has commenced the appraisals necessary to assess the fair values of the tangible and intangible assets acquired and liabilities assumed and the amount of goodwill to be recognized as of the Acquisition Date. The amounts recorded for certain assets and liabilities are preliminary in nature and are subject to adjustment as additional information is obtained about the facts and circumstances that existed as of the Acquisition Date. The final determination of the fair values of certain assets and liabilities will be completed within the measurement period of up to one year from the Acquisition Date permitted under GAAP. The final values may also result in changes to depreciation and amortization expense related to certain assets such as buildings, equipment and intangible assets. Any potential adjustments made could be material in relation to the preliminary values presented in the table below.

The following table summarizes the allocation of the preliminary purchase price as of the Acquisition Date, which is based on the accounting consideration of $553.2 million, to the estimated fair value of assets acquired and liabilities assumed (in thousands):

Goodwill	$	765,743
Customer relationship intangibles		274,000
Property, plant and equipment		87,064
Inventories		66,293
Customer receivables		54,649
Income taxes receivable		18,450
Trademarks		10,000
Prepaid expenses and other		4,571
Leasehold interests		151
Total identifiable assets and goodwill acquired		1,280,921
Debt		602,313
Deferred income taxes		67,478
Accrued expenses		29,777
Accounts payable		25,113
Notes payable		2,988
Income taxes payable		49
Total liabilities assumed		727,718
Total accounting consideration	$	553,203

The fair value of the assets acquired and liabilities assumed were preliminarily determined using income, market and cost valuation methodologies. The fair value of debt acquired was determined using Level 1 inputs as quoted prices in active markets for identical liabilities were available. The fair value measurements were estimated using significant inputs that are not observable in the market and thus represent a Level 3 measurement as defined in Accounting Standards Codification (ASC) 820. The income approach was primarily used to value the customer relationship intangibles and trademarks. The income approach determines value for an asset or liability based on the present value of cash flows projected to be generated over the remaining economic life of the asset or liability being measured. Both the amount and the duration of the cash flows are considered from a market participant perspective. Our estimates of market participant net cash flows considered historical and projected product pricing, operational performance including company specific synergies, product life cycles, material and labor pricing, and other relevant customer, contractual and market factors. The net cash flows are discounted to present value

using a discount rate that reflects the relative risk of achieving the cash flow and the time value of money. The market approach is a valuation technique that uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets or liabilities. The cost approach estimates value by determining the current cost of replacing an asset with another of equivalent economic utility. The cost to replace a given asset reflects the estimated reproduction or replacement cost for the property, less an allowance for loss in value due to depreciation. The cost and market approaches were used to value inventory, while the cost approach was the primary approach used to value property, plant and equipment.

The preliminary purchase price allocation resulted in the recognition of $765.7 million of goodwill, which is not expected to be amortizable for tax purposes. The goodwill recognized is attributable to expected revenue synergies generated by the integration of the Company's products with RSI's, cost synergies resulting from purchasing and manufacturing activities, and intangible assets that do not qualify for separate recognition, such as the assembled workforce of RSI.

Customer receivables were recorded at the contractual amounts due of $54.7 million, less an allowance for doubtful accounts of $0.1 million, which approximates their fair value.

Determining the fair value of assets acquired and liabilities assumed requires the exercise of significant judgment, including the amount and timing of expected future cash flows, long-term growth rates and discount rates. The cash flows employed in the valuation are based on the Company's best estimates of future sales, earnings and cash flows after considering factors such as general market conditions, expected future customer orders, contracts with suppliers, labor costs, changes in working capital, long term business plans and recent operating performance. Use of different estimates and judgments could yield different results.

Impact to Financial Results for the Nine Months Ended January 31, 2018

RSI's financial results have been included in our consolidated financial results for the period from the Acquisition Date to January 31, 2018. As a result, our consolidated financial results for the nine months ended January 31, 2018 do not reflect a full nine months of RSI results. From December 29, 2017 to January 31, 2018, RSI generated net sales of approximately $38.6 million and an operating loss of approximately $4.9 million, inclusive of intangible amortization and adjustments to account for the acquisition, including a $6.3 million charge to cost of sales as a result of the step up of inventory as of the Acquisition Date to fair value.

The Company incurred approximately $10.2 million of transaction costs associated with the RSI Acquisition during the nine months ended January 31, 2018 that the Company expensed as incurred. These costs are included in general and administrative expenses on the Consolidated Statements of Income.

Supplemental Pro Forma Financial Information (unaudited)

The following table presents summarized unaudited pro forma financial information as if RSI had been included in the Company's financial results for the entire nine months ended January 31, 2018 and 2017:

	Nine months ended January 31,	
(in thousands)	2018	2017
Net Sales	$ 1,207,775	$ 1,213,604
Net Income (1)	$ 45,812	$ 71,945
Net earnings per share - basic	$ 2.60	$ 4.06
Net earnings per share - diluted	$ 2.58	$ 4.03

(1) Includes stock compensation expense of $17.5 million and $2.6 million for the nine months ended January 31, 2018 and 2017, respectively, calculated under the intrinsic value method in measuring stock-based liability awards related to stock-based grants made by RSI prior to the RSI Acquisition.

The unaudited supplemental pro forma financial data above assumes the RSI Acquisition occurred on May 1, 2016 and has been calculated after applying the Company's accounting policies and adjusting the historical results of RSI with pro forma adjustments, net of a statutory tax rate of 34.4% and 40.4% for the nine months ended January 31, 2018 and 2017, respectively. Significant pro forma adjustments include the recognition of additional amortization expense related to acquired intangible

assets (net of historical amortization expense of RSI), additional interest expense related to the Initial Term Loan used to finance the acquisition, and elimination of the inventory fair value step-up expense and transaction related expenses which are non-recurring in nature. These adjustments assume the application of fair value adjustments to intangibles and that the $300.0 million borrowed under the Credit Agreement occurred on May 1, 2016 and are as follows: amortization expense, net of tax, of $20.0 million and $20.5 million for the nine months ended January 31, 2018 and 2017, respectively; interest expense, net of tax, (including amortization expense related to $6.7 million of debt issuance costs, which are being amortized over a period of 5 years) of $3.0 million and $3.3 million for the nine months ended January 31, 2018 and 2017, respectively. The following amounts have been excluded: inventory fair value step-up expense, net of tax, of $4.1 million for the nine months ended January 31, 2018; and transaction expenses add-back, net of tax, of $6.9 million and $0.5 million for the nine months ended January 31, 2018 and 2017.

The unaudited supplemental pro forma financial information does not reflect the realization of any expected ongoing cost or revenue synergies relating to the integration of the two companies. Further, the pro forma data should not be considered indicative of the results that would have occurred if the RSI Acquisition, related financing, and associated issuance of Senior Notes (defined herein) and repurchase or redemption of the RSI Notes had been actually consummated on May 1, 2016, nor are they indicative of future results (See Note R--*Subsequent Events*).

Note D--Net Earnings Per Share

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

	Three Months Ended January 31,		Nine Months Ended January 31,	
(in thousands, except per share amounts)	2018	2017	2018	2017
Numerator used in basic and diluted net earnings per common share:				
Net income	$ 1,996	$ 14,553	$ 44,032	$ 53,851
Denominator:				
Denominator for basic net earnings per common share - weighted-average shares	16,578	16,242	16,350	16,267
Effect of dilutive securities:				
Stock options and restricted stock units	113	140	112	134
Denominator for diluted net earnings per common share - weighted-average shares and assumed conversions	16,691	16,381	16,462	16,401
Net earnings per share				
Basic	$ 0.12	$ 0.90	$ 2.69	$ 3.31
Diluted	$ 0.12	$ 0.89	$ 2.67	$ 3.28

The Company repurchased a total of 58,371 and 38,318 shares of its common stock during the three-month periods ended January 31, 2018 and 2017, respectively, and 309,612 and 178,118 shares of its common stock during the nine-month periods ended January 31, 2018 and 2017, respectively. There were no potentially dilutive securities for the three- and nine-month periods ended January 31, 2018 and 2017, which were excluded from the calculation of net earnings per diluted share.

Note E--Stock-Based Compensation

The Company has various stock-based compensation plans. During the quarter ended January 31, 2018, the Company did not grant any stock-based compensation awards to employees or non-employee directors. During the nine-months ended January 31, 2018, the Board of Directors of the Company approved grants of service-based RSUs and performance-based RSUs to key employees and non-employee directors. The employee performance-based RSUs totaled 33,080 units and the employee and non-employee director service-based RSUs totaled 22,250 units. The performance-based RSUs entitle the recipients to receive one share of the Company's common stock per unit granted if applicable performance conditions are met and the recipient remains continuously employed with the Company until the units vest. The service-based RSUs entitle the recipients to receive one share of the Company's common stock per unit granted if they remain continuously employed with the Company (or, for

non-employee directors, serving on the Board of Directors) until the units vest. All of the Company's RSUs granted to employees cliff-vest three years from the grant date.

For the three- and nine-month periods ended January 31, 2018 and 2017, stock-based compensation expense was allocated as follows:

	Three Months Ended January 31,		Nine Months Ended January 31,	
(in thousands)	2018	2017	2018	2017
Cost of sales and distribution	$ 256	$ 160	$ 777	$ 468
Selling and marketing (income) expenses	183	253	385	755
General and administrative expenses	458	414	1,344	1,254
Stock-based compensation expense	$ 897	$ 827	$ 2,506	$ 2,477

During the nine months ended January 31, 2018, the Company also approved grants of 4,496 cash-settled performance-based restricted stock tracking units ("RSTUs") and 2,519 cash-settled service-based RSTUs for more junior level employees. Each performance-based RSTU entitles the recipient to receive a payment in cash equal to the fair market value of a share of the Company's common stock as of the payment date if applicable performance conditions are met and the recipient remains continuously employed with the Company until the units vest. The service-based RSTUs entitle the recipients to receive a payment in cash equal to the fair market value of a share of the Company's common stock as of the payment date if they remain continuously employed with the Company until the units vest. All of the RSTUs cliff-vest three years from the grant date. Since the RSTUs will be settled in cash, the grant date fair value of these awards is recorded as a liability until the date of payment. The fair value of each cash-settled RSTU award is remeasured at the end of each reporting period and the liability is adjusted, and related expense recorded, based on the new fair value. The Company recognized expense of approximately $0.6 million and $0.1 million for the three-month periods ended January 31, 2018 and 2017, respectively, and approximately $1.0 million and $0.3 million for the nine-month periods ended January 31, 2018 and 2017, respectively. A liability for payment of the RSTUs is included in the Company's balance sheets in the amount of $1.6 million and $1.5 million as of January 31, 2018 and April 30, 2017, respectively.

Note F--Customer Receivables

The components of customer receivables were:

(in thousands)	January 31, 2018	April 30, 2017
Gross customer receivables	$ 127,339	$ 66,373
Less:		
Allowance for doubtful accounts	(280)	(148)
Allowance for returns and discounts	(5,282)	(3,110)
Net customer receivables	$ 121,777	$ 63,115

Note G--Inventories

The components of inventories were:

(in thousands)	January 31, 2018	April 30, 2017
Raw materials	$ 49,503	$ 18,230
Work-in-process	40,330	18,704
Finished goods	31,617	19,372
Total FIFO inventories	121,450	56,306
Reserve to adjust inventories to LIFO value	(13,447)	(13,447)
Total inventories	$ 108,003	$ 42,859

Interim LIFO calculations are based on management's estimates of expected year-end inventory levels and costs. Since these items are estimated, interim results are subject to the final year-end LIFO inventory valuation.

Note H--Property, Plant and Equipment

The components of property, plant and equipment were:

(in thousands)	January 31 2018	April 30 2017
Land	$ 4,751	$ 3,581
Buildings and improvements	93,902	81,172
Buildings and improvements - capital leases	11,203	11,202
Machinery and equipment	268,063	187,836
Machinery and equipment - capital leases	29,918	29,378
Construction in progress	28,600	10,838
	436,437	324,007
Less accumulated amortization and depreciation	(225,809)	(216,074)
Total	$ 210,628	$ 107,933

Amortization and depreciation expense on property, plant and equipment amounted to $12.9 million and $10.5 million for the nine months ended January 31, 2018 and 2017, respectively. Accumulated amortization on capital leases included in the above table amounted to $30.0 million and $29.7 million as of January 31, 2018 and April 30, 2017, respectively.

Note I--Intangibles

The components of intangible assets were:

(in thousands)	Weighted Average Amortization Period	Amortization Method	Cost	Accumulated Amortization	Net Carrying Amount
Customer relationships	6 years	Straight-line	$ 274,000	$ 3,806	$ 270,194
Trademarks	3 years	Straight-line	10,000	278	9,722
Intangible assets, net				$ 4,084	$ 279,916

Amortization expense for the nine months ended January 31, 2018 was $4.1 million. Based on the carrying amounts of amortizable intangible assets noted above, estimated amortization expense for the next five 12-month periods beginning in January 31, 2018 is $49.0 million, $49.0 million, $48.7 million, $45.7 million and $45.7 million, respectively.

Note J--Product Warranty

The Company estimates outstanding warranty costs based on the historical relationship between warranty claims and revenues. The warranty accrual is reviewed monthly to verify that it properly reflects the remaining obligation based on the anticipated expenditures over the balance of the obligation period. Adjustments are made when actual warranty claim experience differs from estimates. Warranty claims are generally made within two months of the original shipment date.

The following is a reconciliation of the Company's warranty liability, which is included in other accrued expenses on the balance sheet:

	Nine Months Ended January 31,	
(in thousands)	2018	2017
Beginning balance at May 1	$ 3,262	$ 2,926
Acquisition	119	—
Accrual	14,943	13,460
Settlements	(14,760)	(13,376)
Ending balance at January 31	$ 3,564	$ 3,010

Note K--Pension Benefits

Effective April 30, 2012, the Company froze all future benefit accruals under the Company's hourly and salary defined-benefit pension plans.

Net periodic pension (benefit) cost consisted of the following for the three- and nine-month periods ended January 31, 2018 and 2017:

	Three Months Ended January 31,		Nine Months Ended January 31,	
(in thousands)	2018	2017	2018	2017
Interest cost	$ 1,431	$ 1,443	$ 4,295	$ 4,329
Expected return on plan assets	(2,234)	(2,019)	(6,702)	(6,059)
Recognized net actuarial loss	401	442	1,201	1,328
Net periodic pension benefit	$ (402)	$ (134)	$ (1,206)	$ (402)

The Company contributed a total of $19.3 million to its pension plans in the first nine months of fiscal 2018, which represents both required and discretionary funding, and does not expect to contribute any additional funds during the remainder of fiscal 2018. On August 24, 2017, the Board of Directors of the Company approved up to $13.6 million of discretionary funding which is included in the total contributions for the year. The Company made contributions of $27.3 million to its pension plans in fiscal 2017.

Note L--Fair Value Measurements

The Company utilizes the hierarchy of fair value measurements to classify certain of its assets and liabilities based upon the following definitions:

Level 1- Investments with quoted prices in active markets for identical assets or liabilities.

Level 2- Investments with observable inputs other than Level 1 prices, such as: quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3- Investments with unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's financial instruments include cash and cash equivalents valued at cost, which approximates fair value, due to the short-term maturities of these instruments. Money market funds, mutual funds and certificates of deposits are carried at fair value in the financial statements. For these investments, the fair value was estimated based on quoted prices categorized as a Level 1 valuation. The Company's mutual fund investment assets represent contributions made and invested on behalf of the Company's executive officers in a supplementary employee retirement plan.

The fair values of the Company's RSI Notes were determined using Level 2 inputs based the conditional call and tender offer described further in Note R, which approximates the carrying value recorded in connection with the RSI Acquisition. The carrying values of the Credit Facilities approximated fair value because the interest rates vary with market interest rates.

The following table summarizes the fair values of assets that are recorded in the Company’s unaudited condensed consolidated financial statements as of January 31, 2018 and April 30, 2017 at fair value on a recurring basis (in thousands):

	Fair Value Measurements As of January 31, 2018		
	Level 1	Level 2	Level 3
ASSETS:			
Certificates of deposit	$ 10,500	$ —	$ —
Mutual funds	1,092	—	—
Total assets at fair value	$ 11,592	$ —	$ —

	As of April 30, 2017		
	Level 1	Level 2	Level 3
ASSETS:			
Money market funds	$ 50,146	$ —	$ —
Mutual funds	1,038	—	—
Certificates of deposit	72,250	—	—
Total assets at fair value	$ 123,434	$ —	$ —

There were no transfers between Level 1, Level 2 or Level 3 for assets measured at fair value on a recurring basis.

Note M--Loans Payable and Long-Term Debt

The Credit Facilities

On December 29, 2017, the Company entered into the Credit Agreement, which provides for the Revolving Facility, the Initial Term Loan and the Delayed Draw Term Loan. Also on December 29, 2017, the Company borrowed the entire $250 million available under the Initial Term Loan and approximately $50 million under the Revolving Facility to fund, in part, the cash portion of the RSI Acquisition consideration and the Company’s transaction fees and expenses related to the RSI Acquisition. In connection with its entry into the Credit Agreement, the Company terminated its prior $35 million revolving credit facility with Wells Fargo. As of January 31, 2018, $250 million and $30 million remained outstanding on the Initial Term Loan and the Revolving Facility, respectively, and no amounts were outstanding under the Delayed Draw Term Loan. The Initial Term Loan is scheduled to mature as follows: $12.5 million by January 31, 2019; $18.8 million by January 31, 2020; $25.0 million by January 31, 2021; $25.0 million by January 31, 2022; and $168.7 million by December 29, 2022. The Credit Facilities mature on December 29, 2022. The Company is required to repay any aggregate outstanding amounts under the Initial Term Loan and the Delayed Draw Term Loan in certain specified quarterly installments beginning on April 30, 2018.

Amounts outstanding under the Credit Facilities bear interest based on a fluctuating rate measured by reference to either, at the Company's option, a base rate plus an applicable margin or LIBOR plus an applicable margin, with the applicable margin being determined by reference to the Company's then-current "Total Funded Debt to EBITDA Ratio." The Company will also incur a quarterly commitment fee on the average daily unused portion of the Revolving Facility during the applicable quarter at a rate per annum also determined by reference to the Company's then-current "Total Funded Debt to EBITDA Ratio." In addition, a letter of credit fee will accrue on the face amount of any outstanding letters of credit at a per annum rate equal to the applicable margin on LIBOR loans, payable quarterly in arrears.

The Credit Agreement includes negative covenants restricting the ability of the Company and certain of its subsidiaries to incur additional indebtedness, create additional liens on its assets, make certain investments, dispose of its assets or engage in a merger or other similar transaction or engage in transactions with affiliates, subject, in each case, to the various exceptions and conditions described in the Credit Agreement. The negative covenants further restrict the Company's ability to make certain restricted payments, including the payment of dividends, in certain limited circumstances.

As of January 31, 2018, the Company's obligations under the Credit Agreement were guaranteed by the Company's subsidiaries (other than RSI and its subsidiaries) and the obligations of the Company and its subsidiaries (other than RSI and its subsidiaries) were secured by a pledge of substantially all of their respective personal property.

The RSI Notes

On December 29, 2017, as a result of the closing of the RSI Acquisition, the Company assumed, through its acquisition of all of the equity interests of RSI, the RSI Notes. As of December 29, 2017, the RSI Notes had a fair value of $602.3 million. As of January 31, 2018, the entire $575 million aggregate principal amount of the RSI Notes remained outstanding.

As of January 31, 2018, the RSI Notes (i) accrued interest at a rate equal to 6.5% per annum, payable in cash in arrears on March 15 and September 15 of each year, (ii) were scheduled to mature on March 15, 2023, (iii) were guaranteed by each of RSI's domestic subsidiaries, and (iv) were secured by a second lien on substantially all of the assets of RSI and its domestic subsidiaries. As of January 31, 2018, the indenture governing the RSI Notes contained certain customary covenants, including covenants that limited or restricted RSI's ability to incur debt, pay dividends, repurchase or make other distributions in respect of its capital stock, make other restricted payments, create liens, dispose of assets or engage in transactions with affiliates, subject, in each case to the exceptions and conditions described in the indenture. As of January 31, 2018, RSI was in compliance with the covenants under the indenture governing the RSI Notes. See Note R--*Subsequent Events* for information concerning the refinancing of the RSI Notes.

Other RSI Debt

On December 29, 2017, the Company also assumed, through its acquisition of all of the equity interests of RSI, $2.8 million of subordinated promissory notes payable to certain current and former RSI employees. The promissory notes each have a term of 5 years, bear interest at rates ranging from 1.01% to 2.12% per annum, may be prepaid by RSI at any time without penalty and are due in annual installments of principal and interest on their respective anniversary dates. The notes were issued in exchange for the cancellation of vested stock options of RSI either upon the termination of the applicable employee or immediately prior to the expiration of such options. As of January 31, 2018, the aggregate outstanding balance on the notes was $2.8 million, with payments due through June 30, 2022.

Note O--Income Taxes

The effective income tax rate for the three- and nine-month periods ended January 31, 2018 was 47.0% and 33.9%, respectively, compared with 33.2% and 34.5%, respectively, in the comparable periods in the prior fiscal year. The increase in the effective tax rate for the third quarter of fiscal 2018 as compared to the third quarter of fiscal 2017 was primarily due to transaction costs incurred due to the RSI Acquisition and an expected reduction in the amount of domestic production deduction expected for the year due to such acquisition in the quarter, partially offset by the overall benefit from the reduction in the tax rate enacted in connection with the Tax Cuts and Jobs Act of 2017 (H.R. 1) (the "Tax Act"). The Company recorded a net tax benefit of $1.2 million in the third quarter of fiscal 2018 in connection with the Tax Act enacted in December 2017. The decrease in the effective tax rate for the first nine months of fiscal 2018 as compared to the first nine months of fiscal 2017 was primarily due to the net benefit of $1.2 million from tax rate reduction enacted in connection with the Tax Act and an increase of $0.5 million in tax benefits from stock-based compensation transactions. As is discussed in Note C--*Acquisition of RSI Home Products, Inc.*, a deferred tax liability of approximately $67.8 million was recorded as a result of the RSI Acquisition.

Tax Cuts and Jobs Act of 2017

On December 22, 2017, the Tax Act was signed into law. The Tax Act significantly revises the future ongoing U.S. corporate income tax by, among other things, lowering the U.S. corporate federal income tax rate from 35% to 21% effective January 1, 2018. As a result, a proportional federal rate of 30.4% is applicable in the current fiscal year.

The key impacts of the Tax Act for the three months ended January 31, 2018 were the re-measurement of deferred tax balances to the new corporate tax rate and the reduction of corporate federal tax rate applicable in the calculation of current tax expense from 35% to 30.4% in the current fiscal year. The Company is required to re-measure, through income tax expense, its deferred tax assets and liabilities using the enacted rate at which the items are expected to be recovered or settled.

Due to the complexities associated with understanding and applying various aspects of the new law and quantifying or estimating amounts upon which calculations required to account for new law are based, the U.S. Securities and Exchange Commission ("SEC") recognized that it may be difficult for many companies to complete the determination of all accounting effects of the new law within the available timeframe for issuing their financial statements for the period of enactment. As a result, the SEC provided guidance under SAB 118, permitting corporations to record and report specific items impacted by the new law on the basis of reasonable estimates if final amounts have not been determined and designate them as provisional amounts, or to continue to account for specific items under the previous law if it is not possible to develop reasonable estimates within the timeframe for issuance of the financial statements. In subsequent reporting periods, as the accounting for those items is finalized, companies are expected to record the appropriate adjustments to the initial accounting, removing the provisional designation on an item in the period that the accounting for that item is completed. A measurement period of no more than one year from the date of enactment of the new law is provided under the SEC guidance to complete all such adjustments.

While the Company has not yet completed the assessment of the effects of the Tax Act, we are able to determine reasonable estimates for the impacts of the key items specified above, thus we reported provisional amounts for these items. The Company is still analyzing the impact of the provisions of the law on our deferred tax balances and refining our calculations which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts. The provisional amount determined and recorded for the re-measurement of our deferred tax balances resulted in a net reduction in deferred assets of $1.6 million. While we have made a reasonable estimate of the impact of the federal corporate tax rate reduction, that estimate could change as we complete our analysis of all impacts of the Tax Act.

We were unable to determine a reasonable estimate of the impact, if any, of the effect on our existing deferred tax assets related to executive compensation. We have continued to apply our existing accounting under ASC 740 for this matter.

Note P--Concentration of Risks

Financial instruments that potentially subject the Company to concentrations of risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents with major financial institutions and such balances may, at times, exceed Federal Deposit Insurance Corporation insurance limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash.

Credit is extended to customers based on an evaluation of each customer's financial condition and generally collateral is not required. The Company's customers operate in the new home construction and home remodeling markets.

The Company maintains an allowance for bad debt based upon management's evaluation and judgment of potential net loss. The allowance is estimated based upon historical experience, the effects of current developments and economic conditions and of each customer's current and anticipated financial condition. Estimates and assumptions are periodically reviewed and updated. Any resulting adjustments to the allowance are reflected in current operating results.

At January 31, 2018, the Company's two largest customers, Customers A and B, represented 31.3% and 22.0% of the Company's gross customer receivables, respectively. At April 30, 2017, Customers A and B represented 8.2% and 20.7% of the Company's gross customer receivables, respectively.

The following table summarizes the percentage of sales to the Company's two largest customers for the nine months ended January 31, 2018 and 2017:

	PERCENT OF GROSS SALES Nine Months Ended January 31,	
	2018	2017
Customer A	21.8	20.2
Customer B	14.4	15.9

Note Q--Other Information

The Company is involved in suits and claims in the normal course of business, including without limitation product liability and general liability claims, and claims pending before the Equal Employment Opportunity Commission. On at least a quarterly basis, the Company consults with its legal counsel to ascertain the reasonable likelihood that such claims may result in a loss. As required by FASB Accounting Standards Codification Topic 450, "Contingencies" (ASC 450), the Company categorizes the various suits and claims into three categories according to their likelihood for resulting in potential loss: those that are probable, those that are reasonably possible, and those that are deemed to be remote. Where losses are deemed to be probable and estimable, accruals are made. Where losses are deemed to be reasonably possible, a range of loss estimates is determined and considered for disclosure. In determining these loss range estimates, the Company considers known values of similar claims and consults with outside counsel.

The Company believes that the aggregate range of loss stemming from the various suits and asserted and unasserted claims that were deemed to be either probable or reasonably possible was not material as of January 31, 2018.

Note R--Subsequent Events

On February 12, 2018, the Company issued $350 million in aggregate principal amount of 4.875% Senior Notes due 2026 (the "Senior Notes"). The Senior Notes will mature on March 15, 2026. Interest on the Senior Notes is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2018. The Senior Notes are, and will be, fully and unconditionally guaranteed by each of the Company's current and future wholly-owned domestic subsidiaries that guarantee the Company's obligations under the Credit Agreement. The indenture governing the Senior Notes restricts the ability of the Company and the Company's "restricted subsidiaries" to, as applicable, (i) incur additional indebtedness or issue certain preferred shares, (ii) create liens, (iii) pay dividends, redeem or repurchase stock or make other distributions or restricted payments, (iv) make certain investments, (v) create restrictions on the ability of the "restricted subsidiaries" to pay dividends to the Company or make other intercompany transfers, (vi) transfer or sell assets, (vii) merge or consolidate with a third party and (viii) enter into certain transactions with affiliates of the Company, subject, in each case, to certain qualifications and exceptions as described in the indenture.

Also on February 12, 2018, the Company borrowed the entire $250 million available under the Delayed Draw Term Loan. In connection with these borrowings, RSI and its domestic subsidiaries became guarantors of the Company's obligations under the Credit Agreement and pledged substantially all of their respective personal property as security for their obligations under such guarantee.

The Company utilized the proceeds from the issuance of the Senior Notes and borrowings under the Delayed Draw Term Loan, together with cash on hand, to (A) fund (i) the redemption of $115 million in aggregate principal amount of the RSI Notes on February 26, 2018 pursuant to a conditional call announced on January 25, 2018, (ii) the purchase of approximately $449.1 million in aggregate principal amount of the RSI Notes on February 12, 2018 pursuant to a tender offer that commenced on January 29, 2018 and (iii) the redemption of approximately $10.9 million in aggregate principal amount of the RSI Notes on February 28, 2018 pursuant to a make-whole call, and (B) repay $30 million of the amount borrowed under the Revolving Facility in connection with the closing of the RSI Acquisition. As a result of these redemptions and the tender offer, none of the RSI Notes remain outstanding.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our unaudited condensed consolidated financial statements and the related notes, both of which are included in Part I, Item 1 of this report. The Company's critical accounting policies are included in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2017.

Forward-Looking Statements

This report contains statements concerning the Company's expectations, plans, objectives, future financial performance, and other statements that are not historical facts. These statements may be "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In most cases, the reader can identify forward-looking statements by words such as "anticipate," "estimate," "forecast," "expect," "believe," "should," "could," "would," "plan," "may," "intend," "estimate," "prospect," "goal," "will," "predict," "potential" or other similar words. Forward-looking statements contained in this report, including elsewhere in "Management's Discussion and Analysis of Financial Condition and Results of Operations," are based on current expectations and our actual results may differ materially from those projected in any forward-looking statements. In addition, the Company participates in an industry that is subject to rapidly changing conditions and there are numerous factors that could cause the Company to experience a decline in sales and/or earnings or deterioration in financial condition. Factors that could cause actual results to differ materially from those in forward-looking statements made in this report include but are not limited to:

- the loss of or a reduction in business from one or more of our key customers;
- negative developments in the U.S. housing market or general economy and the impact of such developments on our and our customers' business, operations and access to financing;
- competition from other manufacturers and the impact of such competition on pricing and promotional levels;
- an inability to develop new products or respond to changing consumer preferences and purchasing practices;
- a failure to effectively manage manufacturing operations, alignment and capacity or an inability to maintain the quality of our products;
- the impairment of goodwill, other intangible assets or our long-lived assets;
- an inability to obtain raw materials in a timely manner or fluctuations in raw material and energy costs;
- information systems interruptions or intrusions or the unauthorized release of confidential information concerning customers, employees or other third parties;
- the cost of compliance with, or liabilities related to, environmental or other governmental regulations or changes in governmental or industry regulatory standards, especially with respect to health and safety and the environment;
- a failure to attract and retain certain members of management or other key employees or other negative labor developments, including increases in the cost of labor;
- risks associated with the implementation of our growth strategy;
- risks related to sourcing and selling products internationally and doing business globally;
- unexpected costs resulting from a failure to maintain acceptable quality standards;
- changes in tax laws or the interpretations of existing tax laws;
- the occurrence of significant natural disasters, including earthquakes, fires, floods, and hurricanes or tropical storms;
- the unavailability of adequate capital for our business to grow and compete;
- increased buying power of large customers and the impact on our ability to maintain or raise prices;
- the effect of the RSI Acquisition on our ability to retain customers, maintain relationships with suppliers and hire and retain key personnel;
- our ability to successfully integrate RSI into our business and operations and the risk that the anticipated economic benefits, costs savings and other synergies in connection with the RSI Acquisition are not fully realized or take longer to realize than expected; and
- limitations on operating our business as a result of covenant restrictions under our indebtedness, and our ability to pay amounts due under the Credit Facilities, the Senior Notes and our other indebtedness.

Additional information concerning factors that could cause actual results to differ materially from those in forward-looking statements is contained in this report, including elsewhere in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in Item 1A, "Risk Factors,", and also in the Company's most recent Annual Report on Form 10-K for the fiscal year ended April 30, 2017, filed with the SEC, including under Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," and Item 7A, "Quantitative and Qualitative Disclosures about Market Risk." While the Company believes that these risks are manageable and will not adversely impact the long-term performance of the Company, these risks could, under certain circumstances, have a material adverse impact on its operating results and financial condition.

Any forward-looking statement that the Company makes speaks only as of the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statements or cautionary factors as a result of new information, future events or otherwise, except as required by law.

Overview

American Woodmark Corporation manufactures and distributes kitchen, bath and home organization products for the remodeling and new home construction markets. Its products are sold on a national basis directly to home centers, builders and distributors and through a network of independent dealers. At January 31, 2018, the Company operated eighteen manufacturing facilities in the United States and Mexico and seven primary service centers located throughout the United States.

On December 29, 2017, the Company completed the acquisition of RSI, a leading manufacturer of kitchen and bath cabinetry and home organization products, for consideration consisting of 1,457,568 newly issued shares of American Woodmark common stock, $363.3 million in net cash (subject to certain customary postclosing working capital, indebtedness and seller expense true ups), and the assumption of approximately $589 million of RSI debt, including accrued interest. We refer to this acquisition as the "RSI Acquisition."

The three-month period ended January 31, 2018 was the Company's third quarter of its fiscal year that ends on April 30, 2018 ("fiscal 2018"). During the third quarter of fiscal 2018, the Company continued to experience improving market conditions from the housing market downturn that began in 2007.

The Company's remodeling-based business was impacted by the following trends during the third quarter of the Company's fiscal 2018:

- Residential investment as a percentage of gross domestic product as tracked by the U.S. Department of Commerce for the fourth calendar quarter of 2017 was flat at 3.5% compared with the same period in the prior year;
- The median price per existing home sold rose during the fourth calendar quarter of 2017 compared to the same period one year ago by 5.6% according to data provided by the National Association of Realtors, and existing home sales increased 0.42% during the fourth calendar quarter of 2017 compared to the same period in the prior year;
- The unemployment rate improved to 4.1% as of January 2018 compared to 4.8% as of January 2017 according to data provided by the U.S. Department of Labor;
- Mortgage interest rates remained low with a thirty-year fixed mortgage rate of approximately 4.03% in January 2018, a decrease of approximately 12 basis points compared to the same period in the prior year, according to Freddie Mac; and
- Consumer sentiment as tracked by Thomson Reuters/University of Michigan decreased from 98.5 in January 2017 to 95.7 in January 2018.

The Company believes there is no single indicator that directly correlates with cabinet remodeling market activity. For this reason, the Company considers other factors in addition to those discussed above as indicators of overall market activity including credit availability, housing affordability and sales reported by the Kitchen Cabinet Manufacturers Association ("KCMA"), a trade organization that issues the aggregate sales that have been reported by its members including the largest cabinet manufacturers in the United States. Based on the totality of factors listed above, the Company believes that the cabinet remodeling market increased in the low single digits during the third quarter of fiscal 2018.

The Company's remodeling sales, which consist of our dealer channel sales and home center retail sales, increased 33% during the third quarter and 10% during the first nine months of fiscal 2018 compared to the same prior-year periods. Our dealer channel grew by 3% during the third quarter and 11% during the first nine months of fiscal 2018, respectively, when compared to the comparable prior-year periods as management believes that the Company has improved market share in this channel. Our home center retailer channel grew by 42% during the third quarter and 9% during the first nine months of fiscal 2018, respectively, when compared to the comparable prior-year periods. Much of this growth is attributed to the one month of results from the Company's acquisition of RSI which accounted for 31% of our remodeling sales during the third quarter of fiscal 2018. Otherwise, excluding the impact of RSI sales, management believes the Company has maintained share within the home center retail channel.

Regarding new construction markets, the Company believes that fluctuations in single-family housing starts are the best indicator of cabinet activity. Assuming a sixty to ninety day lag between housing starts and the installation of cabinetry, single-family housing starts rose approximately 8% during the third quarter of the Company's fiscal 2018 over the comparable prior year period. Completions over the third fiscal quarter only averaged an increase of 3%.

Sales in the new construction channel increased 7% in the third quarter, 4% of which was attributable to one month of results from the Company's acquisition of RSI, and more than 9% during the first nine months of fiscal 2018 when compared with the same periods of fiscal 2017. The Company believes it under indexed the market due to an increase in first time home buyers.

The Company's total net sales rose 17% during the third quarter and 9% during the first nine months of fiscal 2018 compared to the same prior-year periods, which management believes was driven primarily by a rise in overall market activity plus one month of sales from the Company's acquisition of RSI.

The Company earned net income of $2.0 million for the third quarter of fiscal 2018, compared with $14.6 million in the third quarter of its prior fiscal year, and earned net income of $44.0 million for the first nine months of fiscal 2018, compared with $53.9 million in the same period of the prior year.

As of January 31, 2018, the Company had total net deferred tax liabilities of $63.6 million, compared to net deferred tax assets of $18.0 million at April 30, 2017. The reduction in total net deferred tax assets from April 30, 2017 to January 31, 2018 is mainly due to the preliminary deferred tax liability of $67.8 million from RSI Acquisition, pension contributions, and stock based compensation transactions over the period. The Company regularly considers the need for a valuation allowance against its deferred tax assets. Deferred tax assets are reduced by a valuation allowance when, after considering all positive and negative evidence, it is determined that it is more likely than not that some portion, or all, of the deferred tax asset will not be realized. The Company has recorded a valuation allowance related to deferred tax assets for certain state investment tax credit ("ITC") carryforwards. These credits expire in various years beginning in fiscal 2020. The Company believes based on positive evidence of the housing industry improvement along with five consecutive years of profitability that the Company will more likely than not realize all other remaining deferred tax assets.

Results of Operations

	Three Months Ended January 31,			Nine Months Ended January 31,		
(in thousands)	2018	2017	Percent Change	2018	2017	Percent Change
Net sales	$ 292,791	$ 249,285	17 %	$ 844,387	$ 771,511	9 %
Gross profit	50,379	51,596	(2)	166,208	167,065	(1)
Selling and marketing expenses	19,167	18,519	3	55,397	52,128	6
General and administrative expenses	23,492	11,476	105	41,442	33,083	25

Net Sales. Net sales were $292.8 million for the third quarter of fiscal 2018, an increase of 17% compared with the third quarter of fiscal 2017. For the first nine months of fiscal 2018, net sales were $844.4 million, reflecting a 9% increase compared with the same period of fiscal 2017. The increase in net sales during the third quarter and first nine months of fiscal 2018 was driven by one month of sales from the Company's acquisition of RSI of $38.6 million and organic growth of 2% in the third quarter and 4% in the first nine months of fiscal 2018.

Gross Profit. Gross profit margin for the third quarter of fiscal 2018 was 17.2%, compared with 20.7% for the same period of fiscal 2017. Gross profit margin was 19.7% for the first nine months of fiscal 2018, compared with 21.7% in the first nine months of fiscal 2017. Gross profit in the third quarter was unfavorably impacted by higher transportation costs, raw material inflation, and operating inefficiency and $6.3 million, or 216 bps, of inventory step-up amortization. Gross profit for the first nine months of the current fiscal year was unfavorably impacted by higher transportation costs, raw material inflation, and healthcare costs and $6.3 million, or 75 bps, of inventory step-up amortization.

Selling and Marketing Expenses. Selling and marketing expenses were 6.5% of net sales in the third quarter of fiscal 2018, compared with 7.4% of net sales for the same period in fiscal 2017. For the first nine months of fiscal 2018, selling and marketing expenses were 6.6% of net sales, compared with 6.8% of net sales for the same period of fiscal 2017. Selling and marketing expenses as a percentage of net sales decreased during the third quarter and first nine months of fiscal 2018 as a result of lower personnel costs and product launch costs.

General and Administrative Expenses. General and administrative expenses were 8.0% of net sales in the third quarter of fiscal 2018, compared with 4.6% of net sales in the third quarter of fiscal 2017, and 4.9% of net sales in the first nine months of fiscal 2018 compared with 4.3% of net sales in the same period in fiscal 2017. The increase in general and administrative expenses as a percentage of net sales during the third quarter and first nine months of fiscal 2018 was driven by RSI Acquisition related costs of $10.2 million and amortization of intangibles of $4.1 million, partially offset by lower incentive costs.

Use of Non-GAAP Financial Measures. Management considers a measurement that is not in accordance with U.S. generally accepted accounting principles a useful measurement of the operational profitability of the Company. Management deems adjusted EBITDA as a useful measure of performance of its core operations and helpful in evaluating comparative results period over period. Some investment professionals also utilize such a measurement as an indicator of the value of profits and cash that are generated strictly from operating activities, putting aside working capital and certain other balance sheet changes. For this measurement, management increases net income for significant non-operating and non-cash expense items to arrive at an amount known as "Earnings Before Interest, Taxes, Depreciation and Amortization" (EBITDA). Further, management defines adjusted EBITDA as EBITDA adjusted to exclude such items as: restructuring charges, stock based compensation, corporate business development expense and loss on disposal of property, plant and equipment. The reader is cautioned that the values for EBITDA and adjusted EBITDA should not be compared to other entities unknowingly. EBITDA and adjusted EBITDA should not be considered alternatives to net income or cash flows from operating activities as an indicator of operating performance or as a measure of liquidity. The reader should refer to the determination of net income and cash flows from operating activities in accordance with U.S. generally accepted accounting principles disclosed in the Condensed Consolidated Statements of Income, Condensed Consolidated Statements of Comprehensive Income and Condensed Consolidated Statements of Cash Flows.

EBITDA and adjusted EBITDA as used by management are calculated as follows:

Reconciliation of Adjusted Non-GAAP Financial Measures to the GAAP Equivalents

	Three Months Ended January 31,		Nine Months Ended January 31,	
(in thousands)	2018	2017	2018	2017
Net income (GAAP)	$ 1,996	$ 14,553	$ 44,032	$ 53,851
Add back:				
Income tax expense	1,768	7,220	22,567	28,312
Interest (income) expense, net	4,035	(167)	2,887	(225)
Depreciation and amortization expense	6,602	4,846	17,579	13,719
Amortization of customer lists and trademarks	4,083	—	4,083	—
EBITDA (Non-GAAP)	$ 18,484	$ 26,452	$ 91,148	$ 95,657
Add back:				
Acquisition related expenses	10,163	728	10,163	728
Inventory step-up amortization (1)	6,334	—	6,334	—
Stock compensation expense	897	828	2,506	2,477
Loss on asset disposal	147	111	280	286
Adjusted EBITDA (Non-GAAP)	$ 36,025	$ 28,119	$ 110,431	$ 99,148
Net Sales	$ 292,791	$ 249,285	$ 844,387	$ 771,511
Adjusted EBITDA margin (Non-GAAP)	12.3%	11.3%	13.1%	12.9%

(1) The inventory step-amortization is the increase in the fair value of inventory acquired through the RSI Acquisition that was fully expensed in the quarter ended January 31, 2018.

Adjusted EBITDA. Adjusted EBITDA was $36.0 million, with an Adjusted EBITDA margin of 12.3%, compared to $28.1 million and 11.3% for the same quarter of the prior fiscal year. Adjusted EBITDA was $110.4 million, with an Adjusted EBITDA margin of 13.1%, for the first nine months of fiscal 2018 compared to $99.1 million and 12.9% in the same period of the prior fiscal year. The increase during the third quarter and first nine months of fiscal 2018 is primarily due to additional sales growth and the inclusion of one month of results for RSI.

Effective Income Tax Rates. The Company's effective income tax rate for the three- and nine-month periods ended January 31, 2018 was 47.0% and 33.9%, respectively, compared with 33.2% and 34.5%, respectively, in the comparable

periods in the prior fiscal year. The increase in the effective tax rate for the third quarter of fiscal 2018 as compared to the third quarter of fiscal 2017 was primarily due to transaction costs incurred and an increase in limitation of domestic production deduction due to the acquisition in the quarter, partially offset by the benefit from the reduction in the tax rate enacted in connection with the Tax Act. The Company recorded a net tax benefit of $1.2 million in the third quarter of fiscal 2018 in connection with the Tax Act enacted in December, 2017. The decrease in the effective tax rate for the first nine months of fiscal 2018 as compared to the first nine months of fiscal 2017 was primarily due to the net benefit of $1.2 million from tax rate reduction enacted in connection with the Tax Act and an increase of $0.5 million tax benefit from stock-based compensation transactions. See Note O--*Income Taxes* for more information on the Tax Act.

Outlook. The Company believes that the average price of existing home sales will continue to increase driven by growth in both employment and new household formations. In this environment, the Company expects the cabinet remodeling market will show modest improvement during the remainder of fiscal 2018 but overall activity will continue to be below historical averages. Within the cabinet remodeling market, the Company expects independent dealers to outperform other channels of distribution primarily due to their more affluent customer base. The Company remains focused on improving market share in the home center channel for the remainder of fiscal 2018, however this is heavily dependent upon competitive promotional activity. The Company also expects to continue to increase market share in the dealer channel. This combination is expected to result in remodeling sales growth that is above the market rate primarily due to incremental growth from the RSI Acquisition.

The Company expects that single-family housing starts and in turn, new construction cabinet sales, will grow approximately 8-10% during the remainder of its fiscal year 2018, and that the Company's new construction sales growth will be below, or at this level, for the remainder of its current fiscal year, as the market continues to shift to first time home buyers.

LIQUIDITY AND CAPITAL RESOURCES

The Acquisition significantly affected the Company's financial condition, liquidity and cash flow. See Note C--*Acquisition of RSI Home Products, Inc.* for a table detailing the preliminary purchase price. The Company's cash and cash equivalents totaled $139.6 million at January 31, 2018, representing a $37.4 million decrease from its April 30, 2017 levels. At January 31, 2018, total long-term debt (including current maturities) was $896.4 million, an increase of $879.6 million from its balance at April 30, 2017. The Company's ratio of long-term debt to total capital was 61.0% at January 31, 2018, compared with 4.2% April 30, 2017.

The Company's main source of liquidity is its cash and cash equivalents on hand and cash generated from its operating activities. The Company can also borrow up to $100 million under the Revolving Facility. Approximately $65.1 million was available under this facility as of January 31, 2018, and approximately $95.1 million was available as of February 12, 2018 after giving effect to the use of proceeds from the issuance of the Senior Notes and borrowings under the Delayed Draw Term Loan (See Note R--*Subsequent Events*).

The Company borrowed $250 million under the Initial Term Loan on December 29, 2017 in connection with the closing of the RSI Acquisition and borrowed an additional $250 million under the Delayed Draw Term Loan on February 12, 2018 in connection with the refinancing of the RSI Notes. Amounts outstanding under the Credit Facilities bear interest based on a fluctuating rate measured by reference to either, at the Company's option, a base rate plus an applicable margin ranging between 0.25% and 1.25% or LIBOR plus an applicable margin ranging between 1.25% and 2.25%, with the applicable margin being determined by reference to the Company's then-current "Total Funded Debt to EBITDA Ratio." The Company will also incur a quarterly commitment fee on the average daily unused portion of the Revolving Facility during the applicable quarter at a rate per annum also determined by reference to the Company's then-current "Total Funded Debt to EBITDA Ratio." The initial applicable margin with respect to base rate loans was 1.00% and the initial applicable margin with respect to LIBOR loans was 2.00%. The initial commitment fee was 0.25%. As of February 20, 2018, the applicable margin with respect to base rate loans and LIBOR loans was 1.25% and 2.25%, respectively, and the commitment fee was 0.30%.

The Company is required to repay the aggregate outstanding amounts under the Initial Term Loan and the Delayed Draw Term Loan in certain specified quarterly installments beginning on April 30, 2018. The Credit Facilities mature on December 29, 2022.

On February 12, 2018, the Company issued $350 million in aggregate principal amount of the Senior Notes and utilized the proceeds of such issuance, together with the borrowings under the Delayed Draw Term Loan as discussed above and cash on hand, to fund the refinancing of the RSI Notes.

The Credit Agreement and the indenture governing the Senior Notes restrict the ability of the Company and certain of the Company's subsidiaries to, among other things, incur additional indebtedness, create additional liens, make certain vestments,

dispose of assets or engage in a merger or consolidation, engage in certain transactions with affiliates, and make certain restricted payments, including the payment of dividends or the repurchase or redemption of stock, subject, in each case, to the various exceptions and conditions described in the Credit Agreement and the indenture governing the Senior Notes.

See Note M--*Loans Payable and Long-Term Debt* and Note R--*Subsequent Events* for additional information concerning the Credit Facilities, the Senior Notes and the refinancing of the RSI Notes.

Cash provided by operating activities in the first nine months of fiscal 2018 was $48.9 million, compared with $51.7 million in the comparable period of fiscal 2017. The decrease in the Company's cash from operating activities was driven primarily by a decrease in net income and increased income taxes receivable and accrued compensation and other expenses, which was partially offset by higher depreciation and amortization.

The Company's investing activities primarily consist of purchases and maturities of certificates of deposit, investment in property, plant and equipment and promotional displays. Net cash used for investing activities was $28.4 million in the first nine months of fiscal 2018, compared with $51.7 million in the comparable period of fiscal 2017. The decrease in cash used was due to the acquisition of RSI and increased investment in property, plant and equipment, which was partially offset by a net $96.0 million increase in cash flow from certificates of deposit.

During the first nine months of fiscal 2018, net cash used by financing activities was $57.9 million, compared with $11.2 million in the comparable period of the prior fiscal year. The increase in cash used was driven by the Company's payments of long-term debt of $21.4 million, the repurchase of 309,612 shares of common stock at a cost of $29.0 million, a $15.6 million increase from the prior year, debt issuance costs of $6.7 million and a decrease in proceeds from the exercise of stock options of $1.1 million.

Under a stock repurchase authorization approved by its Board of Directors on November 30, 2015, the Company was authorized to purchase up to $20 million of the Company's common shares. On November 30, 2016, the Board of Directors authorized an additional stock repurchase program of up to $50 million of the Company's common shares. This authorization is in addition to the stock repurchase program authorized on November 19, 2015. Repurchases may be made from time to time in the open market, or through privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms the Company deems appropriate and subject to the Company's cash requirements for other purposes, compliance with the covenants under the Credit Agreement and the indenture governing the Senior Notes, and other factors management deems relevant. At January 31, 2018, $36.0 million remained authorized by the Company's Board of Directors to repurchase the Company's common shares. The Company purchased a total of 309,612 common shares, for an aggregate purchase price of $29.0 million, during the first nine months of fiscal 2018, under the authorizations. See Part II. Item 2, "Unregistered Sales of Equity Securities and Use of Proceeds" for further information on share repurchases. The Company announced on December 1, 2017 that it suspended its stock repurchase program in conjunction with the RSI Acquisition.

On November 30, 2016 the Board of Directors of the Company approved the construction of a new corporate headquarters in Winchester, Virginia. The new space will consolidate employees that currently occupy four buildings in Winchester, Virginia and Frederick County, Virginia, during the 4th quarter of fiscal 2018. It is expected that the new building will be self-funded for approximately $30 million, of which $18.3 million has been spent through January 31, 2018. During the first nine months of fiscal 2018, approximately $15.3 million in costs were incurred related to the new company headquarters.

Cash flow from operations combined with accumulated cash and cash equivalents on hand are expected to be more than sufficient to support forecasted working capital requirements, service existing debt obligations and fund capital expenditures for the remainder of fiscal 2018.

Seasonal and Inflationary Factors

The Company's business has historically been subject to seasonal influences, with higher sales typically realized in the second and fourth fiscal quarters.

The costs of the Company's products are subject to inflationary pressures and commodity price fluctuations. The Company has generally been able over time to recover the effects of inflation and commodity price fluctuations through sales price increases.

Critical Accounting Policies

The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The Company's critical accounting policies are disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended April 30, 2017. Beginning third quarter fiscal 2018 goodwill and other intangible assets has been designated as one of the Company's critical accounting policies as a result of the acquisition of RSI.

Goodwill and Other Intangible Assets: Goodwill represents the excess of purchase price over the fair value of net assets acquired. The Company does not amortize goodwill but evaluates for impairment annually, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

In accordance with the accounting standards, an entity has the option first to assess qualitative factors to determine whether events and circumstances indicate that it is more likely than not that goodwill is impaired. If after such assessment an entity concludes that the asset is not impaired, then the entity is not required to take further action. However, if an entity concludes otherwise, then it is required to determine the fair value of the asset using a quantitative impairment test, and if impaired, the associated assets must be written down to fair value. There were no impairment charges related to goodwill for the three- and nine-month periods ended January 31, 2018 and 2017.

The Company amortizes the cost of other intangible assets over their estimated useful lives, which range up to six years, unless such lives are deemed indefinite. There were no impairment charges related to other intangible assets for the three- and nine-month periods ended January 31, 2018 and 2017.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our Revolving Facility and Initial Term Loan, include a variable interest rate component. As a result, we are subject to interest rate risk with respect to such floating-rate debt. A 100 basis point increase in the variable interest rate component of our borrowings as of January 31, 2018 would increase our annual interest expense by approximately $2.8 million.

The Company does not currently use commodity or interest rate derivatives or similar financial instruments to manage its commodity price or interest rate risks. See "Seasonal and Inflationary Factors" in Management's Discussion and Analysis of Financial Condition and Results of Operations above for additional information regarding the effects inflation and commodity price fluctuations have on the costs of the Company's products.

Item 4. Controls and Procedures

Senior management, including the Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of January 31, 2018. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures are effective. We acquired RSI on December 29, 2017 and have not yet included RSI in our assessment of the effectiveness of our internal control over financial reporting. Accordingly, pursuant to the Securities and Exchange Commission's general guidance that an assessment of a recently acquired business may be omitted from the scope of an assessment in the year of acquisition, the scope of our assessment of the effectiveness of our disclosure controls and procedures does not include internal control over financial reporting related to RSI.

Except as described in the preceding paragraph, there has been no change in the Company's internal control over financial reporting that occurred during the quarter ended January 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various suits and claims in the normal course of business all of which constitute ordinary, routine litigation incidental to the Company's business. The Company is not party to any material litigation that does not constitute ordinary, routine litigation incidental to its business.

Item 1A. Risk Factors

Due to the acquisition of RSI there have been changes to the risk factors described in Item 1A. “Risk Factors” in the Company’s Annual Report on Form 10-K, filed with the Securities and Exchange Commission on June 29, 2017 as follows:

Because of the concentration of our sales to our two largest customers, the loss of either customer or a significant reduction in orders from either customer could adversely affect our financial results. Home Depot and Lowe’s collectively accounted for approximately 36% of total Company sales during the first nine months of fiscal 2018 and with the RSI Acquisition, we expect this concentration to significantly increase. We do not typically enter into long-term sales contracts with Home Depot or Lowe’s and our sales usually occur on a “purchase order” basis. Our customers can make significant changes in their purchase volumes and can seek to significantly affect the prices we receive for our products and services and the other terms and conditions on which we do business. They have discontinued, and may in the future choose to discontinue, purchasing some or all of our products with little or no notice. In the past, purchase volumes from our customers, including Home Depot and Lowe’s, have fluctuated substantially, and we expect such fluctuations to occur from time to time in the future. Any reduction in, or termination of, our sales to either Home Depot or Lowe’s could have a material adverse effect on our business, financial condition or results of operations.

In addition, the potential for orders from these large retail customers to increase significantly from time to time requires us to have sufficient manufacturing capacity. These large retailers also impose strict logistics and performance obligations. Failure to comply with these obligations may result in these customers reducing or stopping their purchase of our products.

We could also experience delays or defaults in payment from Home Depot or Lowe’s, which could adversely affect our business, financial condition or results of operations. The loss of a substantial portion of our order volumes or revenue from either Home Depot or Lowe’s for any reason would have a material adverse effect on our business, financial condition, or results of operations.

Our business primarily relies on U.S. home improvement, repair and remodel and new home construction activity levels, all of which are impacted by risks associated with fluctuations in the housing market. Downward changes in the general economy, the housing market or other business conditions could adversely affect our results of operations, cash flows and financial condition. Our business primarily relies on home improvement, repair and remodel, and new home construction
activity levels in the United States. The housing market is sensitive to changes in economic conditions and other factors, such as the level of employment, access to labor, consumer confidence, consumer income, availability of financing and interest rate levels. Adverse changes in any of these conditions generally, or in any of the markets where we operate, could decrease demand and could adversely impact our businesses by: causing consumers to delay or decrease homeownership; making consumers more price conscious resulting in a shift in demand to smaller, less expensive homes; making consumers more reluctant to make investments in their existing homes, including large kitchen and bath repair and remodel projects; or making it more difficult to secure loans for major renovations. Although the U.S. new home construction market is improving, demand for new homes is still recovering after the 2007-2009 U.S. economic recession and continues to remain below historical levels.

Prolonged economic downturns may adversely impact our sales, earnings and liquidity. Our industry historically has been cyclical in nature and has fluctuated with economic cycles. During economic downturns, our industry could experience longer periods of recession and greater declines than the general economy. We believe that our industry is significantly influenced by economic conditions generally and particularly by housing activity, consumer confidence, the level of personal discretionary spending, demographics and credit availability. These factors may affect not only the ultimate consumer of our products,
but also may impact home centers, builders and our other primary customers. As a result, a worsening of economic conditions could adversely affect our sales and earnings as well as our cash flow and liquidity.

The U.S. cabinetry industry is highly competitive, and we may not be able to compete successfully. We operate within the highly competitive U.S. cabinetry industry, which is characterized by competition from a number of other manufacturers. Competition is further intensified during economic downturns. We compete with numerous large national and regional home products companies for, among other things, customers, orders from Home Depot and Lowe’s, raw materials and skilled management and labor resources. Purchase volumes from our main home center customers have fluctuated substantially from time to time in the past, and we expect such fluctuations to occur from time to time in the future.

Some of our competitors have greater financial, marketing and other resources than we do and, therefore, may be able to adapt to changes in customer preferences more quickly, devote more resources to the marketing and sale of their products, generate greater national brand recognition or adopt more aggressive pricing policies than we can.

In addition, some of our competitors may resort to price competition to sustain or gain market share and manufacturing capacity utilization, and we may have to adjust the prices on some of our products to stay competitive, which could reduce our revenues. We may not ultimately succeed in competing with other manufacturers and distributors in our market, which may have a material adverse effect on our business, financial condition or results of operations.

Our failure to develop new products or respond to changing consumer preferences and purchasing practices could have a material adverse effect on our business, financial condition or results of operations. The U.S. cabinetry industry is subject to changing consumer trends, demands and preferences. The uncertainties associated with developing and introducing new products, such as gauging changing consumer preferences and successfully developing, manufacturing, marketing and selling new products, could lead to, among other things, rejection of a new product line, reduced demand and price reductions for our products. If our products do not keep up with consumer trends, demands and preference, we could lose market share, which could have a material adverse effect on our business, financial condition or results of operations.

Changes to consumer shopping habits and potential trends toward "online" purchases could also impact our ability to compete as we currently sell our products mainly through our distribution channel. Further, the volatile and challenging economic environment of recent years has caused shifts in consumer trends, demands, preferences and purchasing practices and changes in the business models and strategies of our customers. Shifts in consumer preferences, which may or may not be long-term, have altered the quantity, type and prices of products demanded by the end-consumer and our customers. If we do not timely and effectively identify and respond to these changing consumer preferences and purchasing practices, our relationships with our customers could be harmed, the demand for our products could be reduced and our market share could be negatively affected.

We may fail to fully realize the anticipated benefits of our growth strategy within the dealer and homebuilder channels. Part of our growth strategy depends on expanding our business in the dealer and homebuilder channels. We may fail to compete successfully against other companies that are already established providers within the dealer and homebuilder channels. Demand for our products within the homebuilder and dealer channels may not grow, or might even decline. In addition, we may not accurately gauge consumer preferences and successfully develop, manufacture and market our products at a national level. Further, the implementation of our growth strategy may place additional demands on our administrative, operational and financial resources and may divert management's attention away from our existing business and increase the demands on our financial systems and controls. If our management is unable to effectively manage growth, our business, financial condition or results of operations could be adversely affected. If our growth strategy is not successful then our revenue and earnings may not grow as anticipated or may decline, we may not be profitable, our reputation and brand may be damaged. In addition, we may change our financial strategy or other components of our overall business strategy if we believe our current strategy is not effective, if our business or markets change, or for other reasons, which may cause fluctuations in our financial results.

Manufacturing expansion to add capacity, manufacturing realignments, and other cost savings programs could result in a decrease in our near-term earnings. We continually review our manufacturing operations. These reviews could result in the expansion of capacity, manufacturing realignments and various cost savings programs. Effects of manufacturing expansion, realignments or cost savings programs could result in a decrease in our short-term earnings until the additional capacity is in place, cost reductions are achieved and/or production volumes stabilize. Such manufacturing expansions, realignments and programs involve substantial planning, often require capital investments, and may result in charges for fixed asset impairments or obsolescence and substantial severance costs. We also cannot assure you that we will achieve all of the intended cost savings. Our ability to achieve cost savings and other benefits within expected time frames is subject to many estimates and assumptions. These estimates and assumptions are subject to significant economic, competitive, and other uncertainties, some of which are beyond our control. If these estimates and assumptions are incorrect, if we experience delays, or if other unforeseen events occur, our business, financial condition, and results of operations could be materially and adversely affected. In addition, downturns in the economy could potentially have a larger impact on American Woodmark as a result of this added capacity.

We may record future goodwill impairment charges or other asset impairment charges which could negatively impact our future results of operations and financial condition. We have recorded significant goodwill as a result of the RSI Acquisition, and goodwill and other acquired intangible assets represent a substantial portion of our assets. We also have long-lived assets consisting of property and equipment and other identifiable intangible assets which we review both on an annual basis as well as when events or circumstances indicate that the carrying amount of an asset may not be recoverable. If a determination is made that a significant impairment in value of goodwill, other intangible assets or long-lived assets has occurred, such determination could require us to impair a substantial portion of our assets. Asset impairments could have a material adverse effect on our financial condition and results of operations.

Fluctuating raw material and energy costs could have a material adverse effect on our business and results

of operations. We purchase various raw materials, including, among others, wood, wood-based and resin products, which are subject to price fluctuations that could materially increase our manufacturing costs. Further, increases in energy costs increase our production costs and also the cost to transport our products, each of which could have a material adverse effect on our business and results of operations. In addition, some of our suppliers have consolidated and other suppliers may do so in the future. Combined with increased demand, such consolidation could increase the price of our supplies and raw materials.

We also may be unwilling or unable to pass on to customers commensurate cost increases. Competitive considerations and customer resistance to price increases may delay or make us unable to adjust selling prices. To the extent we are unable to either reengineer or otherwise offset increased costs or are unwilling or unable to build price increases into our sales prices, our margins will be negatively affected. Even if we are able to increase our selling prices, sustained price increases for our products may lead to sales declines and loss of market share, particularly if our competitors do not increase their prices. Conversely, when raw materials or energy prices decline, we may receive customer pressure to reduce our sales prices.

These prices are market-based and fluctuate based on factors beyond our control. We do not have long-term fixed supply agreements and do not hedge against price fluctuations. We, therefore, cannot predict our raw materials costs for the coming year.

The inability to obtain raw materials from suppliers in a timely manner would adversely affect our ability to manufacture and market our products. Our ability to offer a wide variety of products depends on our ability to obtain an adequate supply of components from manufacturers and other suppliers, particularly wood-based and resin products. Failure by our suppliers to provide us with quality products on commercially reasonable terms, and to comply with legal requirements for business practices, could have a material adverse effect on our business, financial condition or results of operations. Furthermore, we rely heavily or, in certain cases, exclusively, on outside suppliers for some of our key components. While we do not rely exclusively on any one supplier for any particular raw materials, the loss of a major supplier could increase our costs to obtain raw materials until we obtain an adequate alternative source of materials.

We typically do not enter into long-term contracts with our suppliers or sourcing partners. Instead, most raw materials and sourced goods are obtained on a “purchase order” basis. Although these components are generally obtainable in sufficient quantities from other sources, resourcing them from another supplier could take time. Financial, operating, or other difficulties encountered by our suppliers or sourcing partners or changes in our relationships with them could result in manufacturing or sourcing interruptions, delays and inefficiencies, and prevent us from manufacturing enough products to meet customer demands.

Our operations may be adversely affected by information systems interruptions or intrusions. We rely on a number of information technology systems to process, transmit, store and manage information to support our business activities. Increased global cybersecurity vulnerabilities, threats and more sophisticated and targeted attacks pose a risk to our information technology systems. We have established security policies, processes and layers of defense designed to help identify and protect against intentional and unintentional misappropriation or corruption of our systems and information and disruption of our operations. Despite these efforts, systems may be damaged, disrupted, or shut down due to attacks by unauthorized access, malicious software, undetected intrusion, hardware failures, or other events, and in these circumstances our disaster recovery planning may be ineffective or inadequate. These breaches or intrusions could lead to business interruption, exposure of proprietary or confidential information, data corruption, damage to our reputation, exposure to litigation and increased operational costs. Such events could have a material adverse impact on our business, financial condition and results of operation. In addition, we could be adversely affected if any of our significant customers or suppliers experience any similar events that disrupt their business operations or damage their reputation.

Increased compliance costs or liabilities associated with environmental regulations could have a material adverse effect on our business, financial condition or results of operations. Our facilities are subject to numerous environmental laws, regulations and permits, including those governing emissions to air, discharges to water, storage, treatment and disposal of waste, remediation of contaminated sites and protection of worker health and safety. We may not be in complete compliance with these laws, regulations or permits at all times. Our efforts to comply with environmental requirements do not remove the risk that we may incur material liabilities, fines or penalties for, among other things, releases of regulated materials occurring on or emanating from current or formerly owned or operated properties or any associated offsite disposal location, or for contamination discovered at any of our properties from activities conducted by previous occupants. Liability for environmental contamination or a release of hazardous materials may be joint and several, so that we may be held responsible for more than our share of the contamination or other damages, or even for the entire share.

Changes in environmental laws and regulations or the discovery of previously unknown contamination or other liabilities relating to our properties and operations could result in significant environmental liabilities that could impact our business,

financial condition or results of operation. In addition, we may incur capital and other costs to comply with increasingly stringent environmental laws and enforcement policies. These laws, including, for example, the regulations relating to formaldehyde emissions promulgated by the California Air Resources Board, require us to rely on compliance by our suppliers of raw materials. Should a supplier fail to comply with such regulations, notify us of non-compliance, or provide us with a product that does not comply, we could be subject to disruption in our business and incur substantial liabilities.

Unauthorized disclosure of confidential information provided to us by customers, employees or third parties could harm our business. We rely on the internet and other electronic methods to transmit confidential information and store confidential information on our networks. If there were a disclosure of confidential information provided by, or concerning, our employees, customers or other third parties, including through inadvertent disclosure, unapproved dissemination, or unauthorized access, our reputation could be harmed and we could be subject to civil or criminal liability and regulatory actions.

Changes in government and industry regulatory standards could have a material adverse effect on our business, financial condition or results of operations. Government regulations pertaining to health and safety and environmental concerns continue to emerge, domestically as well as internationally. These regulations include the Occupational Safety and Health
Administration and other worker safety regulations for the protection of employees, as well as regulations for the protection of consumers. It is necessary for us to comply with current requirements (including requirements that do not become effective until a future date), and even more stringent requirements could be imposed on our products or processes. Compliance with these regulations may require us to alter our manufacturing and installation processes and our sourcing. Such actions could increase our capital expenditures and adversely impact our business, financial condition or results of operations, and our inability to effectively and timely meet such regulations could adversely impact our competitive position.

The loss of certain members of our management may have an adverse effect on our operating results. Our success will depend, in part, on the efforts of our senior management and other key employees. These individuals possess sales, marketing, engineering, manufacturing, financial and administrative skills and know-how that are critical to the operation of our business. If we lose or suffer an extended interruption in the services of one or more of our senior officers or other key employees, our financial condition and results of operations may be negatively affected. Moreover, the pool of qualified individuals may be highly competitive and we may not be able to attract and retain qualified personnel to replace or succeed members of our senior management or other key employees, should the need arise. The loss of the services of any key personnel, or our inability to hire new personnel with the requisite skills, could impair our ability to develop new products or enhance existing products, sell products to our customers or manage our business effectively.

We could continue to pursue growth opportunities through either acquisitions, mergers or internally developed projects, which may be unsuccessful or may adversely affect future financial condition and operating results. We could continue to pursue opportunities for growth through either acquisitions, mergers or internally developed projects as part of our growth strategy. We cannot assure you that we will be successful in integrating an acquired business or that an internally developed project will perform at the levels we anticipate. We may pay for future acquisitions using cash, stock, the assumption of debt, or a combination of these. Future acquisitions could result in dilution to existing shareholders and to earnings per share. In addition, we may fail to identify significant liabilities or risks associated with a given acquisition that could adversely affect our future financial condition and operating results or result in us paying more for the acquired business or assets than they are worth.

Our ability to operate and our growth potential could be materially and adversely affected if we cannot employ, train and retain qualified personnel at a competitive cost. Many of the products that we manufacture and assemble require manual processes in plant environments. We believe that our success depends upon our ability to attract, employ, train and retain qualified personnel with the ability to design, manufacture and assemble these products. In addition, our ability to expand our operations depends in part on our ability to increase our skilled labor force as the housing market continues to recover in the
United States. A significant increase in the wages paid by competing employers could result in a reduction of our qualified labor force, increases in the wage rates that we must pay, or both. In addition, we believe that our success depends in part on our ability to quickly and effectively train additional workforce to handle the increased volume and production while minimizing labor inefficiencies and maintaining product quality in a housing market recovery. If either of these events were to occur, our cost structure could increase, our margins could decrease, and any growth potential could be impaired.

We manufacture our products internationally and are exposed to risks associated with doing business globally. We manufacture our products in the United States and Mexico and sell our products in the United States. Accordingly, we are subject to risks associated with potential disruption caused by changes in political, monetary, economic and social environments, including civil and political unrest, terrorism, possible expropriation, local labor conditions, changes in laws, regulations and policies of foreign governments and trade disputes with the United States, and compliance with U.S. laws

affecting activities of U.S. companies abroad, including tax laws, economic sanctions and enforcement of contract and intellectual property rights.

We are also subject to the Foreign Corrupt Practices Act and other anti-bribery laws. While we have implemented safeguards and policies to discourage these practices by our employees and agents, our existing safeguards and policies to assure compliance and any future improvements may prove to be less than effective and our employees or agents may engage in conduct for which we might be held responsible. If employees violate our policies, we may be subject to regulatory sanctions. Violations of these laws or regulations could result in sanctions including fines, debarment from export privileges and penalties and could have a material adverse effect on our business, financial condition or results of operations.

We may hedge certain foreign currency transactions in the future; however, a change in the value of the currencies may impact our financial statements when translated into U.S. dollars. In addition, fluctuations in currency can adversely impact the cost position in local currency of our products, making it more difficult for us to compete. Our success will depend, in part, on our ability to effectively manage our business through the impact of these potential changes.

In addition, we source raw materials and components from Asia where we have recently experienced higher manufacturing costs and longer lead times due to currency fluctuations, higher wage rates, labor shortages and higher raw material costs. Our international sourcing of materials could be harmed by a variety of factors including:

- introduction of non-native invasive organisms into new environments;
- recessionary trends in international markets;
- legal and regulatory changes and the burdens and costs of our compliance with a variety of laws, including export controls, import and customs trade restrictions and tariffs;
- increases in transportation costs or transportation delays;
- work stoppages and labor strikes;
- fluctuations in exchange rates, particularly the value of the U.S. dollar relative to other currencies; and
- political unrest, terrorism and economic instability.

If any of these or other factors were to render the conduct of our business in a particular country undesirable or impractical, our business, financial condition or results of operations could be materially adversely affected.

Our failure to maintain acceptable quality standards could result in significant unexpected costs. Any failure to maintain acceptable quality standards could require us to recall or redesign such products, or pay substantial damages, any of which would result in significant unexpected costs. We may also have difficulty controlling the quality of products or components sourced from other manufacturers, so we are exposed to risks relating to the quality of such products and to limitations on our recourse against such suppliers. Further, any claim or product recall could result in adverse publicity against us, which could decrease our credibility, harm our reputations, adversely affect our sales, or increase our costs. Defects in our products could also result in decreased orders or sales to our customers, which could have a material adverse effect on our business, financial condition or results of operations.

New U.S. tax legislation could adversely affect us and our debt holders. On December 22, 2017, President Trump signed the Tax Act into law. The Tax Act is generally effective for taxable years beginning after December 31, 2017. The Tax Act includes significant amendments to the Internal Revenue Code of 1986 (as amended, the "Code"), including amendments that lower the U.S. corporate federal income tax rate from 35% to 21%, including the taxation of offshore earnings and the deductibility of interest. Some of the amendments could adversely affect our business and financial condition.

While the Company has not yet completed the assessment of the effects of the Tax Act, we are able to determine reasonable estimates for the impacts of the key items specified above, thus we reported provisional amounts for these items. The Company is still analyzing the impact of the provisions of the law on our deferred tax balances and refining our calculations which could potentially affect the measurement of these balances or potentially give rise to new deferred tax amounts. The provisional amount determined and recorded for the re-measurement of our deferred tax balances resulted in a net reduction in deferred assets of $1.6 million. While we have made a reasonable estimate of the impact of the federal corporate tax rate reduction, that estimate could change as we complete our analysis of all impacts of the Tax Act.

Future tax law changes or the interpretation of existing tax laws may materially impact our effective income tax rate and the resolution of unrecognized tax benefits. Our businesses are subject to taxation in the United States as well as internationally. Tax legislation may be enacted that could have a material adverse impact on our worldwide income tax provision. Tax authorities in many jurisdictions routinely audit us. Because there are significant uncertainties in the outcome of such audits, the ultimate outcome from any audit could be materially different from amounts reflected in our income tax

provisions and accruals. Future settlements of income tax audits may have a material adverse effect on earnings between the period of initial recognition of tax estimates in our financial statements and the point of ultimate tax audit settlement.

Natural disasters could have a material adverse effect on our business, financial condition or results of operations. Many of our facilities are located in regions that are vulnerable to natural disasters and other risks, such as earthquakes, fires, floods, tropical storms and snow and ice, which at times have disrupted the local economy and posed physical risks to our property. In addition, the continued threat of terrorism and heightened security and military action in response to this threat, or any future acts of terrorism, may cause further disruptions to the economies of the United States and other countries. Our redundant, multiple site capacity may not be sufficient in the event of a natural disaster, terrorist act or other catastrophic event. Such disruptions could, among other things, disrupt our manufacturing or distribution facilities and result in delays or cancellations of customer orders for our products, which in turn could have a material adverse effect on our business, financial condition and results of operations. Further, if a natural disaster occurs in a region from which we derive a significant portion of our revenue, end-user customers in that region may delay or forego purchases of our products, which may materially and adversely impact our operating results for a particular period.

Our ability to grow and compete in the future will be adversely affected if adequate capital is not available to us or not available on terms favorable to us. The ability of our business to grow and compete depends on the availability of adequate capital, which in turn depends in large part on our cash flow from operations and the availability of equity and debt financing. We cannot assure you that our cash flow from operations will be sufficient or that we will be able to obtain equity or debt financing on acceptable terms, if at all, to implement our growth strategy. As a result, we cannot assure you that adequate capital will be available to finance our current growth plans, take advantage of business opportunities or respond to competitive pressures, any of which could harm our business.

Certain of our customers have been expanding and may continue to expand through consolidation and internal growth, which may increase their buying power, which could materially and adversely affect our sales, results of operations and financial position. Certain of our customers are large companies with significant buying power. In addition, potential further
consolidation in the distribution channels could enhance the ability of certain of our customers to seek more favorable terms, including pricing, for the products that they purchase from us. Accordingly, our ability to maintain or raise prices in the future may be limited, including during periods of raw material and other cost increases. If we are forced to reduce prices or to maintain prices during periods of increased costs, or if we lose customers because of pricing or other methods of competition, our sales, operating results and financial position may be materially and adversely affected.

We may experience difficulties in integrating American Woodmark and RSI's operations and realizing the expected benefits of the RSI Acquisition. The success of the RSI Acquisition will depend in part on our ability to realize the anticipated business opportunities and growth prospects from combining with RSI in an efficient and effective manner. We may never realize these business opportunities and growth prospects. Further, our management might have its attention diverted while trying to integrate operations and corporate and administrative infrastructures.

The integration process could take longer than anticipated and could result in the loss of key employees, the disruption of our and RSI's ongoing businesses, tax costs or inefficiencies, or inconsistencies in standards, controls, information technology systems, procedures and policies, any of which could adversely affect our ability to maintain relationships with customers, employees or other third parties, or our ability to achieve the anticipated benefits of the transaction, and could harm our financial performance. If we are unable to successfully or timely integrate the operations of RSI's business with our business, we may incur unanticipated liabilities and be unable to realize the revenue growth, synergies and other anticipated benefits resulting from the transaction, and our business, results of operations and financial condition could be adversely affected.

American Woodmark and RSI's important business relationships may be disrupted due to the RSI Acquisition, which could adversely affect American Woodmark's and RSI's business, respectively. Some of the parties with which American Woodmark and RSI do business may be uncertain about their business relationships with the combined company as a result of the RSI Acquisition. For example, customers, partners, resellers, suppliers, vendors and others may consider entering into alternative business relationships with other parties. Some of RSI's customers, partners, resellers, suppliers, vendors and others may decide to exercise their rights to terminate contracts that were triggered upon completion of the RSI Acquisition. These disruptions could have an adverse effect on RSI's and/or American Woodmark's businesses, financial condition or results of operations, or the prospects of the combined company.

Our level and terms of indebtedness could adversely affect our business and liquidity position. Our consolidated indebtedness level could have important consequences to us, including, among other things, increasing our vulnerability to general economic and industry conditions; requiring a portion of our cash flow used in operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our liquidity and our ability to use our cash flow to

fund our operations, capital expenditures and future business opportunities; exposing us to the risk of increased interest rates, and corresponding increased interest expense, because borrowings under the Credit Facilities are at variable rates of interest; reducing funds available for working capital, capital expenditures, acquisitions and other general corporate purposes, due to the costs and expenses associated with such debt; limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes; and limiting our ability to adjust to changing marketplace conditions and placing us at a competitive disadvantage compared to our competitors who may have less debt.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets, seek additional capital, or restructure or refinance our indebtedness. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations, which could cause us to default on our debt obligations and impair our liquidity. In the event of a default under any of our indebtedness, the holders of the defaulted debt could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest, which in turn could result in cross-defaults under our other indebtedness. The lenders under the Credit Facilities could also elect to terminate their commitments thereunder and cease making further loans, and such lenders could institute foreclosure proceedings against their collateral, all of which could adversely affect our financial condition in a material way.

The Credit Agreement and the indenture that governs the Senior Notes impose significant operating and financial restrictions on us and our subsidiaries, which may prevent us from capitalizing on business opportunities or otherwise negatively impact our business. The Credit Agreement and the indenture that governs the Senior Notes impose significant operating and financial restrictions on us. These restrictions limit our ability and the ability of our subsidiaries to, among other things, incur additional indebtedness (including guarantee obligations); incur liens; engage in mergers, consolidations and certain other fundamental changes; dispose of assets; make advances, investments and loans; engage in sale and leaseback transactions; engage in certain transactions with affiliates; enter into contractual arrangements that encumber or restrict the ability to (A) (i) pay dividends or make distributions, (ii) pay indebtedness, (iii) make loans or advances or (iv) sell, lease or transfer property, in each case to us and our subsidiaries, or (B) incur liens; pay dividends, distributions and other payments in respect of capital stock or subordinated debt; repurchase or retire capital stock, warrants or options or subordinated debt; and amend the terms of documents governing, or make payments prior to the scheduled maturity of, certain other indebtedness.

As a result of these restrictions, each of which is subject to certain exceptions and qualifications, we will be limited as to how we conduct our business and we may be unable to raise additional debt or equity financing to compete effectively or to take advantage of new business opportunities. The terms of any future indebtedness we may incur could include more restrictive covenants. We cannot assure you that we will be able to maintain compliance with these existing covenants in the future and, if we fail to do so, that we will be able to obtain waivers from the lenders and/or amend the covenants.

Our failure to comply with the restrictive covenants described above as well as other terms of our indebtedness and/or the terms of any future in debtedness from time to time could result in an event of default, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms or cannot refinance these borrowings, our results of operations and financial condition could be adversely affected.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table details share repurchases made by the Company during the third quarter of fiscal 2018:

	Share Repurchases			
	Total Number of Shares Purchased (1)	**Average Price Paid Per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Programs**	**Approximate Dollar Value of Shares That May Yet Be Purchased Under the Programs (000) (1)**
November 1 - 30, 2017	58,371	$ 94.20	58,371	$ 35,968
December 1 - 31, 2017	—	$ —	—	$ 35,968
January 1 - 31, 2018	—	$ —	—	$ 35,968
Quarter ended January 31, 2018	58,371	$ 94.2	58,371	$ 35,968

(1) Under a stock repurchase authorization approved by its Board of Directors on November 30, 2015, the Company was authorized to purchase up to $20 million of the Company's common shares. On November 30, 2016, the Board of Directors authorized an additional stock repurchase program of up to $50 million of the Company's common shares. This authorization is in addition to the stock repurchase program authorized on November 19, 2015. Repurchases may be made from time to time in the open market, or through privately negotiated transactions or otherwise, in compliance with applicable laws, rules and regulations, at prices and on terms the Company deems appropriate and subject to the Company's cash requirements for other purposes, compliance with the covenants under the Credit Agreement and the indenture governing Senior Notes, and other factors management deems relevant. The authorization does not obligate the Company to acquire a specific number of shares during any period, and the authorization may be modified, suspended or discontinued at any time at the discretion of the Board. Management expects to fund any share repurchases using available cash and cash generated from operations. Repurchased shares will become authorized but unissued common shares. In the third quarter of fiscal 2018, the Company repurchased 58,371 common shares for an aggregate purchase price of $5.5 million, under the authorization, pursuant to a repurchase plan intended to comply with the requirements of Rule 10b5-1 and Rule 10b-18 under the Securities Exchange Act of 1934, as amended. At January 31, 2018, $36.0 million remained authorized by the Company's Board of Directors to repurchase the Company's common shares. The Company announced on December 1, 2017 that it was suspending its stock repurchase program in conjunction with the RSI Acquisition.

Item 6. Exhibits

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of November 30, 2017, among RSI Home Products, Inc., American Woodmark Corporation, Alliance Merger Sub, Inc. and Ronald M. Simon, solely in his capacity as the Stockholder Representative (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K as filed on December 1, 2017; Commission File No. 000-14798).
3.1 (a)	Articles of Incorporation as amended effective August 12, 1987 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 10-Q for the quarter ended January 31, 2003; Commission File No. 000-14798).
3.1 (b)	Articles of Amendment to the Articles of Incorporation effective September 10, 2004 (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K as filed on August 31, 2004; Commission File No. 000-14798).
3.2	Bylaws – as amended and restated August 24, 2017 (incorporated by reference to Exhibit 3.2 to the Registrant's Form 10-Q for the quarter ended July 31, 2017; Commission File No. 000-14798).
4.1	The Articles of Incorporation and Bylaws of the Registrant as currently in effect (incorporated by reference to Exhibits 3.1 and 3.2).
4.2	Indenture, dated as of March 16, 2015, by and among RSI Home Products, Inc., the guarantors from time to time party thereto and Wells Fargo Bank, National Association, as Trustee and Collateral Agent (Filed Herewith).
4.3	Supplemental Indenture, dated as of December 15, 2017, among RSI Home Products, Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as Trustee and Collateral Agent (Filed Herewith).
4.4	Second Supplemental Indenture, dated as of February 9, 2018, among RSI Home Products, Inc., the guarantors party thereto and Wells Fargo Bank, National Association, as Trustee and Collateral Agent (Filed Herewith).
4.5	Indenture, dated as of February 12, 2018, among American Woodmark Corporation, the guarantors from time to time party thereto and Wells Fargo Bank, National Association, as Trustee (incorporated by reference to Exhibit 4.1 to the Registrant's Form 8-K as filed on February 14, 2018; Commission File No. 000-14798).
10.1	Credit Agreement, dated as of December 29, 2017, by and among American Woodmark Corporation, as Borrower, the Lenders referred to therein as Lenders and Wells Fargo Bank, National Association, as Administrative Agent, Swingline Lender and Issuer Lender (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K as filed on January 5, 2018; Commission File No. 000-14798).
10.2	Collateral Agreement, dated as of December 29, 2017, by American Woodmark Corporation and certain of its subsidiaries, as Grantors, in favor of Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Registrant's Form 8-K as filed on January 5, 2018; Commission File No. 000-14798).
10.3	Joinder Agreement, dated as of February 12, 2018, by American Woodmark Corporation and each of its subsidiary named therein in favor of Wells Fargo Bank, National Association, as Administrative Agent, for the benefit of the Secured Parties (Filed Herewith).
10.4	Shareholders Agreement, dated as of November 30, 2017, by and among American Woodmark Corporation and the shareholders party thereto (Filed Herewith).
10.5	Commitment Letter, dated as of November 30, 2017, among American Woodmark Corporation, Wells Fargo Bank, National Association, and Wells Fargo Securities, LLC (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K as filed on December 1, 2017; Commission File No. 000-14798).
31.1	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act (Filed Herewith).
31.2	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act (Filed Herewith).
32.1	Certification of the Chief Executive Officer and Chief Financial Officer Pursuant to Rule 13a-14(b) of the Exchange Act and 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Furnished Herewith).

101	Interactive Data File for the Registrant's Quarterly Report on Form 10-Q for the quarter ended January 31, 2018 formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements (Filed Herewith).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AMERICAN WOODMARK CORPORATION
(Registrant)

/s/ M. Scott Culbreth
M. Scott Culbreth
Senior Vice President and Chief Financial Officer

Date: March 12, 2018
Signing on behalf of the registrant and
as principal financial and accounting officer

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Section 2: EX-4.2 (EXHIBIT 4.2)

Exhibit 4.2

RSI HOME PRODUCTS, INC.

as Issuer, and

THE SUBSIDIARIES NAMED HEREIN

as Guarantors

_____

6½% SENIOR SECURED SECOND LIEN NOTES DUE 2023

_____

INDENTURE

DATED AS OF MARCH 16, 2015

_____

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee and as Collateral Agent

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EXHIBITS

Exhibit A	FORM OF 6½% SENIOR SECURED SECOND LIEN NOTE
Exhibit B	FORM OF NOTATION OF GUARANTEE
Exhibit C	FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS PURSUANT TO RULE 144A
Exhibit D	FORM OF CERTIFICATE TO BE DELIVERED IN CONNECTION WITH TRANSFERS PURSUANT TO REGULATION S

This Indenture, dated as of March 16, 2015, is by and among RSI Home Products, Inc., a Delaware corporation (the *"Company"* or the *"Issuer"),* Wells Fargo Bank, National Association, a national banking association, as trustee (in such capacity and not in its individual capacity, the *"Trustee"),* Wells Fargo Bank, National Association, a national banking association, as collateral agent (in such capacity and not in its individual capacity, the *"Collateral Agent")* and the Guarantors (as defined herein) from time to time party hereto.

Each party agrees as follows for the benefit of the other parties and for the equal and ratable bene-fit of the Holders of (i) the Issuer's 6 ½% Senior Secured Second Lien Notes due 2023 issued on the date hereof that contain the restrictive legend in Exhibit A (the *"Initial Notes")* and (ii) Additional Notes issued from time to time (together with the Initial Notes, the *"Notes").*

ARTICLE I

DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.1 Definitions.

"Account" means an account as such term is defined in the UCC, as in effect from time to time.

"Acquired Debt" means Debt of a Person (including an Unrestricted Subsidiary) existing at the time such Person becomes a Restricted Subsidiary or assumed in connection with the acquisition of assets from such Person.

"Additional Notes" means Notes (other than the Initial Notes) issued pursuant to Article II hereof and otherwise in compliance with the provisions of this Indenture.

"Agent" means any Registrar, Paying Agent, (so long as Trustee serves in such capacity) or co-registrar.

"Affiliate" of any Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such Person. For the purposes of this definition, *"control"* when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms *"controlling"* and *"controlled"* have meanings that correspond to the foregoing.

"Applicable Premium" means, with respect to any Note on any applicable redemption date, as calculated by the Company, the greater of:

(1) 1.0% of the then outstanding principal amount of the Note; and

(2) the excess of:

(a) the present value at such redemption date of (i) the redemption price of the Note at March 15, 2018 (such redemption price being set forth in the table appearing in Section 3.7(b)) plus (ii) all required interest payments due on the Note through March 15, 2018 (excluding accrued but unpaid interest), computed using a discount rate equal to the Treasury Rate as of such redemption date (or in the case of a satisfaction and discharge or defeasance, as of two business days prior to the date on which funds are deposited with the Trustee) plus 50 basis points; over

(b) the then outstanding principal amount of the Note.

"Asset Acquisition" means:

(i) an Investment by the Company or any Restricted Subsidiary of the Company in any other Person pursuant to which such Person shall become a Restricted Subsidiary, or shall be merged with or into the Company or any Restricted Subsidiary; or

(ii) the acquisition by the Company or any Restricted Subsidiary of the Company of the assets of any Person which constitute all or substantially all of the assets of such Person, any division or line of business of such Person or any other properties or

assets of such Person other than in the ordinary course of business and consistent with past practices.

"Asset Sale" means any transfer, conveyance, sale, lease or other disposition (including, without limitation, *dispositions* pursuant to any consolidation or merger) by the Company or any Restricted Subsidiary to any Person (other than to the Company or one or more of its Restricted Subsidiaries) in any single transaction or series of transactions of:

(i) Capital Interests in another Person (other than Capital Interests in the Company or directors' qualifying shares or shares or interests required to be held by foreign nationals pursuant to local law);

(ii) any other property or assets (other than in the normal course of business, including any sale or other disposition of obsolete or permanently retired equipment and any sale of inventory in the ordinary course of business); or

(iii) the issuance of Capital Interests by any of the Company's Restricted Subsidiaries;

provided, however, that the term "Asset Sale" shall exclude:

(a) an issuance of Capital Interests by a Restricted Subsidiary of the Company to the Company or another Restricted Subsidiary;

(b) the sale or lease of products or services in the ordinary course of business or consistent with past practice and any sale or other disposition of damaged, worn-out, obsolete or surplus assets or property in the ordinary course of business (including the lapse of registered patents, trademarks and other intellectual property to the extent not economically desirable in the conduct of their business);

(c) any transaction permitted by Section 5.1 that constitutes a disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole;

(d) any transfer, conveyance, sale, lease or other disposition of property or assets, the gross proceeds of which (exclusive of indemnities) do not exceed in any one or related series of transactions $10 0 million;

(e) sales or other dispositions of cash or Eligible Cash Equivalents;

(f) the disposition of assets (other than Obsolete Equipment) that, in the good faith judgment of the Board of Directors of the Company, are no longer used or useful in the business of the Company;

(g) a Restricted Payment or Permitted Investment that is otherwise permitted by this Indenture;

(h) any trade-in or other disposition of equipment in exchange for other equipment in the ordinary course; *provided* that, in the good faith judgment of the Company, the Company or such Restricted Subsidiary receives equipment having a fair market value equal to or greater than the equipment being traded for or disposed of;

(i) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien);

(j) leases or subleases in the ordinary course of business to third persons not interfering in any material respect with the business of the Company or any of its Restricted Subsidiaries and otherwise in accordance with the provisions of this Indenture other than with respect to Collateral;

(k) any disposition by a Restricted Subsidiary to the Company or by the Company or a Restricted Subsidiary to a Restricted Subsidiary; *provided, however,* if the disposition is by the Company or a Restricted Subsidiary that is a Guarantor, then the disposition must be to a Guarantor; *provided further* that any disposition to the Company shall be otherwise permitted by this Indenture;

(l) sales, assignments, transfers, discounts and other dispositions of accounts receivable in connection with the compromise, settlement or collection thereof in the ordinary course of business and not for purposes of financing;

(m) licensing or sublicensing of intellectual property or software in the ordinary course of business to the extent that they do not materially interfere with the business of the Company or any of its Restricted Subsidiaries;

(n) any exchange of like property pursuant to Section 1031 of the Code for use or useful in a Permitted Business;

(o) any surrender of contract rights or settlement or release of claims in the ordinary course of business or grant of Liens in accordance with this Indenture;

(p) any sales or other dispositions of Obsolete Equipment in the ordinary course of business, including scrapping of Obsolete Equipment;

(q) the sale of any interest in an Unrestricted Subsidiary; and

(r) dispositions (other than of Collateral) resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Company or any of its Restricted Subsidiaries.

For purposes of this definition, any series of related transactions that, if effected as a single transaction, would constitute an Asset Sale, shall be deemed to be a single Asset Sale effected when the last such transaction which is a part thereof is effected.

"Asset Sale Offer" means an Offer to Purchase required to be made by the Company or a Restricted Subsidiary, as the case may be, pursuant to Section 4.10 to all Holders.

"Bankruptcy Code" means The Bankruptcy Reform Act of 1978, as heretofore and hereafter amended, and codified as 11 U.S.C. Section 101 *et seq*.

"Beneficial Owner" has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act.

"Board of Directors" means (i) with respect to the Company or any Restricted Subsidiary, its board of directors or similar body of the general partner or managers of such entity or any duly authorized committee thereof; (ii) with respect to a corporation, the board of directors of such corporation or any duly authorized committee thereof; and (iii) with respect to any other entity, the board of directors or similar body of the general partner or managers of such entity or any duly authorized committee thereof.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company or any Restricted Subsidiary to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification and delivered to the Trustee.

"Business Day" means any day other than a Legal Holiday.

"Capital Interests" in any Person means any and all shares, interests (including Preferred Interests), participations or other equivalents in the equity interest (however designated) in such Person and any rights (other than Debt securities convertible into an equity interest), warrants or options to acquire an equity interest in such Person.

"Capital Lease Obligations" means any obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP; and the amount of Debt represented by such obligation shall be the capitalized amount of such obligations determined in accordance with GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be terminated by the lessee without payment of a penalty. For purposes of Section 4.12, a Capital Lease Obligation shall be deemed secured by a Lien on the property being leased.

"Certificated Notes" means Notes that are not Global Notes in the form of Exhibit A attached hereto.

"Change of Control" means, with respect to any Person, the occurrence of any of the following events:

(i) the acquisition by any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than one or more Permitted Holders, that is or becomes the ultimate "beneficial owner" (as such term is used in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the Voting Interests in such Person; *provided* that if such person is a group of investors which group includes one or more Permitted Holders, the shares of Voting Interests of such Person beneficially owned by the Permitted Holders that are part of such group shall not be counted for purposes of determining whether this clause (i) is triggered; or

(ii) the Company or any Restricted Subsidiary sells, conveys, transfers or leases (either in one transaction or a series of related transactions) all or substantially all of the Company's and its Restricted Subsidiaries' assets (determined on a consolidated basis) to any Person that is not a Permitted Holder or a Restricted Subsidiary of the Company, or the Company merges or consolidates with, a Person other than a Permitted Holder or a Restricted Subsidiary of the Company (unless the shareholders holding Voting Interests of the Company immediately prior to such merger or consolidation control in excess of 50% of the Voting Interests in the surviving Person immediately following such merger or consolidation).

"Code" means the Internal Revenue Code of 1986, as amended from time to time and the regulations promulgated thereunder.

"Collateral" means, collectively, all of the property and assets that are from time to time subject or purported to be subject to the Lien of the Security Documents.

"Collateral Account" means any segregated account under the control of the Collateral Agent that is free from all other Liens (other than Liens securing the Credit Agreement Obligations and/or the Permitted Additional Pari Passu Obligations, as applicable), and includes all cash and Eligible Cash Equivalents received by the Trustee or the Collateral Agent from Asset Sales of Collateral or any other awards or proceeds pursuant to the Security Documents, including earnings, revenues, rents, issues, profits and income from the Collateral received pursuant to the Security Documents, and interest earned thereon.

"*Collateral Agent*" means Wells Fargo Bank, National Association in its capacity as Collateral Agent under this Indenture and the Security Documents, together with any successors appointed *pursuant* to the Security Documents.

"*Commission*" means the Securities and Exchange Commission and any successor thereto.

"*Common Interests*" of any Person means Capital Interests in such Person that do not rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to Capital Interests of any other class in such Person.

"*Company*" has the meaning set forth in the preamble hereto until a successor replaces it in accordance with the applicable provisions of this Indenture and, thereafter, means the successor.

"*Consolidated EBITDA*" means, with respect to any Person for any period:

(i) the sum of, without duplication, the amounts for such period, taken as a single accounting period, of:

(a) Consolidated Net Income;

(b) Consolidated Non-cash Charges;

(c) Consolidated Interest Expense to the extent the same was deducted in computing Consolidated Net Income;

(d) Consolidated Income Tax Expense;

(e) the amount of any restructuring charges or reserves (which, for the avoidance of doubt shall include retention, severance, systems establishment costs, excess pension charges, contract termination costs, including future lease commitments, costs related to the start-up, closure, relocation or consolidation of facilities and costs to relocate employees);

(f) the effect of any non-cash impairment charges, write-downs or write-offs (net of any write-ups) of assets (including intangible assets, goodwill and deferred financing costs) or liabilities resulting from the application of GAAP and the amortization of intangible assets arising from the application of GAAP;

(g) any costs or expense incurred pursuant to any management equity plan or stock option plan or other management or employee benefit plan, agreement or arrangement or any stock subscription or shareholder agreement, to the extent that such costs or expenses are funded with cash proceeds contributed to the capital of the Company or a Guarantor or the net cash proceeds of an issuance of Capital Interests of the Company solely to the extent that such net cash proceeds are excluded from the calculation of the amount available for Restricted Payments under clause (c)(1) of Section 4.7; and

(h) all non-recurring or unusual losses (net of fees and expense relating to the transaction giving rise thereto); *less*

(ii) the sum of, without duplication, the amounts for such period, taken as a single accounting period, of:

(a) the sum of non-cash items increasing Consolidated Net Income for such period, other than (x) the accrual of revenue consistent with past practice and (y) reversals of prior accruals or reserves for cash items previously excluded in the calculation of Consolidated Non-cash Charges; and

(b) all non-recurring or unusual gains (net of fees and expenses relating to the transaction giving rise thereto).

"*Consolidated First Lien Debt*" means Consolidated Total Debt secured by a first priority Lien on any of the assets of the Company and its Restricted Subsidiaries.

"*Consolidated First Lien Secured Debt Ratio*" means, as of any date of determination, the ratio of (a) the Consolidated First Lien Debt of the Company and its Restricted Subsidiaries on the date of determination to (b) the aggregate amount of Consolidated EBITDA for the then most recent Four-Quarter Period, in each case with such pro forma adjustments to Consolidated First Lien Debt and Consolidated EBITDA as are consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio"; *provided* that for purposes of this definition, the calculation of Debt outstanding under any revolving credit facility shall be at the Company's option (A) the average daily balance of such revolving credit facility (1) since the Issue Date or (2) for the most recently ended Four-Quarter Period since the Issue Date, whichever is shorter or (B) the entire commitment of any revolving credit facility shall be deemed to be fully drawn as of the date such agreement is executed, and thereafter the amount of such commitment shall be deemed to be fully borrowed at all times for purposes of this definition.

"*Consolidated Fixed Charge Coverage Ratio*" means, with respect to any Person, the ratio of the aggregate amount of Consolidated EBITDA of such Person for the four full fiscal quarters, treated as one period, for which financial information in respect thereof is internally available immediately preceding the date of the transaction (the *"Transaction Date")* giving rise to the need to calculate the Consolidated Fixed Charge Coverage Ratio (such four full fiscal quarter period being referred to herein as the *"Four-Quarter Period")* to the aggregate amount of Consolidated Fixed Charges of such Person for the Four-Quarter Period. For purposes of this definition,

Consolidated EBITDA and Consolidated Fixed Charges shall be calculated after giving effect on a pro forma basis for the period of such calculation to:

(i) the Incurrence of any Debt (other than working capital borrowings under any revolving credit facility in the ordinary course of business) of the Company or any Restricted Subsidiary (and the application of the proceeds thereof) and any repayment, repurchase, redemption, discharge or defeasance of other Debt (other than working capital borrowings under any revolving credit facility in the ordinary course of business) occurring during the Four-Quarter Period or at any time subsequent to the last day of the Four-Quarter Period and on or prior to the Transaction Date, as if such Incurrence or repayment, as the case may be (and the application of the proceeds thereof), occurred on the first day of the Four-Quarter Period; and

(ii) any Asset Sale or Asset Acquisition occurring during the Four-Quarter Period or at any time subsequent to the last day of the Four-Quarter Period and on or prior to the Transaction Date, as if such Asset Sale or Asset Acquisition (including the incurrence of, or assumption or liability for, any such Debt or Acquired Debt and including the associated changes in Consolidated Fixed Charges and Consolidated EBITDA resulting therefrom as discussed in the paragraph below) occurred on the first day of the Four-Quarter Period.

For purposes of making the computation referred to above, Asset Sales, Asset Acquisitions, discontinued operations (as determined in accordance with GAAP), and any operational changes, business realignment projects and initiatives, restructuring and reorganizations that the Company or any of its Restricted Subsidiaries has both determined to make and made after the Issue Date and during the Four-Quarter Period or subsequent to such period and on or prior to or simultaneously with the Transaction Date (each, for purposes of this definition, a *"pro forma event")* shall be calculated on a pro forma basis assuming that all such Asset Sales, Asset Acquisitions, discontinued operations (as determined in accordance with GAAP), and any operational changes, business realignment projects and initiatives, restructuring and reorganizations (and the change of any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the Four-Quarter Period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged with or into the Company or any Restricted Subsidiary since the beginning of such period shall have made or effected any Asset Sales, Asset Acquisitions, discontinued operations (as determined in accordance with GAAP), and any operational changes, business realignment projects and initiatives, restructuring and reorganizations, then the Consolidated Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Asset Sale or Asset Acquisition had occurred at the beginning of the applicable Four-Quarter Period.

For purposes of this definition, whenever pro forma effect is to be given to any pro forma event, the pro forma calculations shall be made in good faith by a responsible financial or accounting officer of the Company. Any such pro forma calculation may include, without limitation, (1) adjustments calculated in accordance with Regulation S-X under the Securities Act, (2) Pro Forma Cost Savings and (3) all adjustments of the type used in connection with the calculation of "Adjusted EBITDA" as set forth in footnote (2) under the caption "Summary—Summary Selected Consolidated Historical Financial Information" in the Offering Memorandum to the extent such adjustments, without duplication, continue to be applicable to such Four-Quarter Period.

In calculating Consolidated Interest Expense for purposes of determining the denominator (but not the numerator) of this Consolidated Fixed Charge Coverage Ratio:

(a) interest on outstanding Debt determined on a fluctuating basis as of the Transaction Date and which will continue to be so determined thereafter shall be computed based upon the average daily interest on such Debt during the applicable period;

(b) if interest on any Debt actually Incurred on the Transaction Date may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rates, then the interest rate will be computed based upon the average daily interest on such Debt during the applicable period; and

(c) notwithstanding clause (a) or (b) above, interest on Debt determined on a fluctuating basis, to the extent such interest is covered by agreements relating to Hedging Obligations, shall be deemed to accrue at the rate per annum resulting after giving effect to the operation of these agreements.

"Consolidated Fixed Charges" means, with respect to any Person for any period, the sum of, without duplication, the amounts for such period of:

(i) Consolidated Interest Expense; and

(ii) all cash dividends and other cash distributions paid during such period in respect of Redeemable Capital Interests and Preferred Interests of such Person and its Restricted Subsidiaries (other than to the Company or its wholly-owned Restricted Subsidiaries).

"Consolidated Income Tax Expense" means, with respect to any Person for any period, the provision for federal, state, local and foreign income taxes of such Person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, without duplication, the sum of:

(i) the interest expense of such Person and its Restricted Subsidiaries for such period as determined on a consolidated basis in accordance with GAAP, including, without limitation:

(a) any amortization of debt discount, original issue discount, non-cash interest payments or accruals;

(b) the net cost under interest rate Hedging Obligations (including any amortization of discounts);

(c) the interest portion of any deferred payment obligation;

(d) all commissions, discounts and other fees and charges owed with respect to letters of credit, bankers' acceptance financing or similar activities; *plus*

(ii) the interest component of Capital Lease Obligations paid by such Person and its Restricted Subsidiaries during such period determined on a consolidated basis in accordance with GAAP;

(iii) the interest expense on any Debt Guaranteed by such Person or any of its Restricted Subsidiaries; *plus*

(iv) all capitalized interest of such Person and its Restricted Subsidiaries for such period; *less*

(v) interest income of such Person and its Restricted Subsidiaries for such period;

provided, however, that Consolidated Interest Expense will exclude the amortization or write off of debt issuance costs and deferred financing fees, commissions, fees and expenses.

"Consolidated Net Income" means, with respect to any Person, for any period, the consolidated net income (or loss) of such Person and its Restricted Subsidiaries for such period as determined in accordance with GAAP, adjusted, to the extent included in calculating such net income, by:

(i) excluding, without duplication:

(a) all extraordinary gains or losses (net of fees and expense relating to the transaction giving rise thereto), income, expenses or charges;

(b) the portion of net income of such Person and its Restricted Subsidiaries allocable to minority interest in unconsolidated Persons or Investments in Unrestricted Subsidiaries to the extent that cash dividends or distributions have not actually been received by such Person or one of its Restricted Subsidiaries;

(c) gains or losses in respect of any Asset Sales after the Issue Date by such Person or one of its Restricted Subsidiaries (net of fees and expenses relating to the transaction giving rise thereto), on an after-tax basis (which may be based on the Company's good faith estimate of taxes to the extent the actual amount of such taxes are not then known);

(d) the net income (loss) from any operations disposed of or discontinued after the Issue Date and any net gains or losses on such disposition or discontinuance, on an after-tax basis (which may be based on the Company's good faith estimate of taxes to the extent the actual amount of such taxes are not then known);

(e) solely for purposes of determining the amount available for Restricted Payments under clause (c) of the first paragraph of Section 4.7 the net income of any Restricted Subsidiary (other than a Guarantor) of such Person to the extent that the declaration of dividends or similar distributions by that Restricted Subsidiary of that income is not at the time permitted, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulations applicable to that Restricted Subsidiary or its stockholders;

(f) any gain or loss realized as a result of the cumulative effect of a change in accounting principles;

(g) any fees and expenses, including deferred amortization and deferred financing costs, paid in connection with (x) the issuance of the Notes and the entering into of the Credit Agreement contemplated by the Offering Memorandum related to the Notes (including, without limitation, ratings agency fees) or (y) any unsuccessful equity offering, debt offering or other financing transaction or acquisition or disposition by such Person or any Restricted Subsidiary;

(h) non-cash compensation expense incurred in connection with any issuance of Capital Interests to or repurchase of Capital Interests from a current or former officer, director or employee of such Person or any Restricted Subsidiary;

(i) any net after-tax gains or losses attributable to the early extinguishment of Debt (which may be based on the Company's good faith estimate of taxes to the extent the actual amount of such taxes are not then known);

(j) (a) (i) the non-cash portion of "straight-line" rent expense shall be excluded and (ii) the cash portion of "straight-line" rent expense that exceeds the amount expensed in respect of such rent expense shall be included and (b) any net

unrealized gains and losses resulting from fair value accounting required by FASB ASC 815;

(k) any (a) severance or relocation costs or expenses, or (b) one-time non-cash compensation charges;

(l) the effect of any non-cash impairment charges or write-ups, write-downs or write-offs of assets (including intangible assets, goodwill and deferred financing costs) or liabilities resulting from the application of GAAP and the amortization of intangible assets arising from the application of GAAP;

(m) costs and expenses related to employment of terminated employees following an acquisition; and

(ii) including, without duplication, dividends from Persons that are not Restricted Subsidiaries actually received in cash by the Company or, subject to clause (i)(e) above, any Restricted Subsidiary.

"*Consolidated Non-cash Charges"* means, with respect to any Person for any period, the aggregate depreciation, amortization (including amortization of goodwill and other intangibles) and other non-cash charges and expenses of such Person and its Restricted Subsidiaries reducing Consolidated Net Income of such Person and its Restricted Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP (excluding any such charges (i) constituting an extraordinary item or loss or (ii) that require an accrual of or a reserve for cash charges for any future period).

"*Consolidated Total Debt"* means, as of any date of determination, an amount equal to the aggregate principal amount of all outstanding Debt of the Company and its Restricted Subsidiaries (excluding (x) Hedging Obligations, except to the extent secured by Liens on Collateral, and (y) any undrawn letters of credit issued in the ordinary course of business) less the aggregate amount of Unrestricted Cash on the consolidated balance sheet of the Company and its Restricted Subsidiaries as of such date of determination but not including the proceeds of any Debt in the amount of cash to be netted in calculating Consolidated Total Debt.

"*Consolidated Total Debt Ratio"* means, as of any date of determination, the ratio of (a) the Consolidated Total Debt of the Company and its Restricted Subsidiaries on the date of determination to (b) the aggregate amount of Consolidated EBITDA for the then most recent Four-Quarter Period, in each case with such pro forma adjustments to Consolidated Total Debt and Consolidated EBITDA as are consistent with the pro forma adjustment provisions set forth in the definition of "Consolidated Fixed Charge Coverage Ratio"; *provided* that for purposes of this definition, the calculation of Debt outstanding under any revolving credit facility shall be at the Company's option either (A) the average daily balance of such revolving credit facility (1) since the Issue Date or (2) for the most recently ended Four-Quarter Period since the Issue Date, whichever is shorter or (B) the entire commitment of any revolving credit facility shall be deemed to be fully drawn as of the date such agreement is executed, and thereafter the amount of such commitment shall be deemed to be fully borrowed at all times for purposes of this definition.

"*Corporate Trust Office"* means an office designated by the Trustee at which at any time its corporate trust business shall be administered, which office at the date hereof is located at 333 S. Grand Avenue, Fifth Floor, Suite 5A, MAC E2064-05A, Los Angeles, CA 90071, or in the case of the Registrar under Sections 2.3 and 4.2, 608 2nd Avenue, Attention: DAPS Reorg, or such other address as the Trustee may designate from time to time by written notice to the Holders and the Issuer, or the corporate trust office designated by any successor Trustee (or such other address as such successor Trustee may designate from time to time by notice to the Holders and the Issuer).

"*Credit Agreement"* means, collectively, (x) the Company's loan agreement, dated February 22, 2013, as amended and restated on or about the Issue Date, among the Company, the guarantors party thereto and Bank of America, N.A., as agent and the other agents and lenders named therein (the *"Loan Agreement")* and (y) whether or not the Loan Agreement remains outstanding, if designated by the Company to be included in the definition of "Credit Agreement," one or more (A) debt facilities, indentures or commercial paper facilities providing for revolving credit loans, term loans, notes, debentures, receivables financing (including through the sale of receivables to lenders or to special purpose entities formed to borrow from lenders against such receivables) or letters of credit, (B) debt securities, notes, mortgages, guarantees, collateral documents, indentures or other forms of debt financing (including convertible or exchangeable debt instruments or bank guarantees or bankers' acceptances) or (C) instruments or agreements evidencing any other Debt, in each case, with the same or different borrowers or issuers and, in each case, as amended, supplemented, modified, extended, restructured, renewed, refinanced, restated, increased *(provided* that such increase in borrowings is permitted under Section 4.9), replaced or refunded in whole or in part from time to time and whether by the same or any other agent, lender or investor or group of lenders or investors.

"*Credit Agreement Collateral Agent"* means Bank of America, N.A., as collateral agent under the Credit Agreement, its successors and/or assigns in such capacity.

"*Credit Agreement Liens"* means all Liens in favor of the Credit Agreement Collateral Agent on Collateral securing the Credit Agreement Obligations.

"*Credit Agreement Obligations"* means (i) the Debt and other obligations incurred under clause (ii) of the definition of "Permitted Liens" which are secured by a Permitted Collateral Lien on the Collateral and (ii) certain Hedging Obligations and cash management obligations permitted to be incurred under this Indenture and that are owed to a lender or an affiliate of a lender under the Credit Agreement and more particularly described in the Intercreditor Agreement.

"*Debt"* means at any time (without duplication), with respect to any Person, whether recourse is to all or a portion of the assets of

such Person, or non-recourse, the following if and to the extent any of the foregoing items (other than clauses (iii), (vi) and (viii) below) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with GAAP:

(i) all indebtedness of such Person for money borrowed or for the deferred purchase price of property, excluding any trade payables or other current liabilities incurred in the normal course of business;

(ii) all obligations of such Person evidenced by bonds, debentures, notes, or other similar instruments;

(iii) all obligations of such Person with respect to letters of credit, banker's acceptances or similar facilities issued for the account of such Person (with letters of credit and banker's acceptances being deemed to have a principal amount equal to the face amount thereof);

(iv) all obligations of such Person issued or assumed as the deferred purchase price of property and all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property or assets acquired by such Person (even if the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property or assets, excluding any trade payables or other current liabilities incurred in the normal course of business);

(v) all Capital Lease Obligations of such Person (but excluding obligations under operating leases);

(vi) the maximum fixed redemption or repurchase price of Redeemable Capital Interests in such Person at the time of determination and the amount of the liquidation preference of any Preferred Interests of any Restricted Subsidiary of such Person, the principal amount of such Capital Interests to be determined in accordance with this Indenture;

(vii) any net Obligations under Hedging Obligations of such Person, determined on a marked to market basis in accordance with GAAP, other than to the extent related to physical delivery of supplies, materials and currency in the ordinary course of business; and

(viii) all obligations of the types referred to in clauses (i) through (vii) of this definition of another Person and all dividends and other distributions of another Person, the payment of which, in either case, (A) such Person has Guaranteed or (B) is secured by (or the holder of such Debt or the recipient of such dividends or other distributions has an existing right, whether contingent or otherwise, to be secured by) any Lien upon the property or other assets of such Person, even though such Person has not assumed or become liable for the payment of such Debt, dividends or other distributions.

For purposes of the foregoing: (a) the maximum fixed repurchase price of any Redeemable Capital Interests that do not have a fixed repurchase price shall be calculated in accordance with the terms of such Redeemable Capital Interests as if such Redeemable Capital Interests were repurchased on any date on which Debt shall be required to be determined pursuant to this Indenture; *provided, however,* that if such Redeemable Capital Interests are not then permitted to be repurchased, the repurchase price shall be the book value of such Redeemable Capital Interests; (b) the amount outstanding at any time of any Debt issued with original issue discount is the principal amount of such Debt less the remaining unamortized portion of the original issue discount of such Debt at such time as determined in conformity with GAAP, but such Debt shall be deemed Incurred only as of the date of original issuance thereof; (c) the amount of any Debt described in clause (viii)(A) above shall be the maximum liability under any such Guarantee; (d) the amount of any Debt described in clause (viii)(B) above shall be the lesser of (I) the maximum amount of the obligations so secured and (II) the Fair Market Value of such property or other assets; and (e) interest, fees, premium, and expenses and additional payments, if any, will not constitute Debt.

Notwithstanding the foregoing, in connection with the purchase by the Company or any Restricted Subsidiary of any business, the term "Debt" will exclude (x) customary indemnification obligations and (y) post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment is otherwise contingent; *provided, however,* that such amounts would not be required to be reflected on the face of a balance sheet prepared in accordance with GAAP.

The amount of Debt of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and the maximum liability, upon the occurrence of the contingency giving rise to the obligations, of any contingent obligations at such date; *provided, however*, that in the case of Debt sold at a discount, the amount of such Debt at any time will be the accreted value thereof at such time.

"*Default*" means any event that is, or after notice or passage of time, or both, would be, an Event of Default.

"*Depositary*" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.3 hereof as the Depositary with respect to the Notes, until a successor shall have been appointed and become such pursuant to Section 2.6 hereof, and, thereafter, "Depositary" shall mean or include such successor.

"*Discharge of Credit Agreement Obligations*" has the meaning assigned to such term in the Intercreditor Agreement.

"*DTC*' means The Depository Trust Company or any successor securities clearing agency.

"*Eligible Bank*" means a bank or trust company that (i) is organized and existing under the laws of the United States of America, or any state, territory or possession thereof, (ii) as of the time of the making or acquisition of an Investment in such bank or trust company, has combined capital and surplus in excess of $250 0 million and (iii) the senior Debt of which is rated at least "A-2" by Moody's or at least "A" by Standard & Poor's.

"Eligible Cash Equivalents" means any of the following Investments:

(i) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (*provided* that the full faith and credit of the United States is pledged in support thereof) maturing not more than one year after the date of acquisition;

(ii) time deposits in and certificates of deposit of any Eligible Bank, *provided* that such Investments have a maturity date not more than one year after date of acquisition;

(iii) repurchase obligations with a term of not more than 180 days for underlying securities of the types described in clause (i) above entered into with any Eligible Bank;

(iv) direct obligations issued by any state of the United States or any political subdivision or public instrumentality thereof, *provided* that such Investments mature, or are subject to tender at the option of the holder thereof, within 365 days after the date of acquisition and, at the time of acquisition, have a rating of at least A from Standard & Poor's or A-2 from Moody's (or an equivalent rating by any other nationally recognized rating agency);

(v) commercial paper of any Person other than an Affiliate of the Company, *provided* that such Investments have one of the two highest ratings obtainable from either Standard & Poor's or Moody's and mature within 365 days after the date of acquisition;

(vi) overnight and demand deposits in and bankers' acceptances of any Eligible Bank and demand deposits in any bank or trust company to the extent insured by the Federal Deposit Insurance Corporation against the Bank Insurance Fund;

(vii) money market funds substantially all of the assets of which comprise Investments of the types described in clauses (i) through (vi);

(viii) Debt issued by Persons with a rating of "A" or higher from Standard & Poor's or "A-2" or higher from Moody's, in each case with maturities not exceeding one year from the date of acquisition; and

(ix) instruments equivalent to those referred to in clauses (i) through (vi) above or funds equivalent to those referred to in clause (vii) above denominated in Euros, Canadian dollars, Mexican pesos, Hong Kong dollars, Chinese yuan renminbi, Pounds sterling or any other foreign currency comparable in credit quality and tender to those referred to in such clauses and customarily used by corporations for cash management purposes in jurisdictions outside the United States to the extent reasonably required in connection with any business conducted by any Restricted Subsidiary organized in such jurisdiction, all as determined in good faith by the Company.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Excluded Assets" has the meaning assigned to such term in the Security Agreement.

"Excluded Real Property" has the meaning assigned to such term in the Security Agreement.

"Excluded Subsidiary" means any Subsidiary with Total Assets less than $5 0 million and that is not an obligor under the Credit Agreement.

"Expiration Date" has the meaning set forth in the definition of "Offer to Purchase."

"Fair Market Value" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, as determined in good faith by the Board of Directors of the Company (unless otherwise provided in this Indenture).

"Foreign Subsidiary" means, with respect to any Person, (x) any Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia, (y) any Subsidiary of a Foreign Subsidiary of such Person and (z) any Foreign Subsidiary Holdco.

"Foreign Subsidiary Holdco" means a Subsidiary that is not a Foreign Subsidiary, is a disregarded entity for U.S. federal income tax purposes and that has no material assets other than Capital Interests of one or more Foreign Subsidiaries.

"Four-Quarter Period" has the meaning set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"GAAP" means generally accepted accounting principles in the United States, as set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect from time to time.

"Global Note Legend" means the legend identified as such in Exhibit A hereto.

"*Global Notes*" means the Notes in global form that are in the form of Exhibit A hereto.

"*Guarantee*" means, as applied to any Debt of another Person, (i) a guarantee (other than by endorsement of negotiable instruments for collection in the normal course of business), direct or indirect, in any manner, of any part or all of such Debt, (ii) any direct or indirect obligation, contingent or otherwise, of a Person guaranteeing or having the effect of guaranteeing the Debt of any other Person in any manner and (iii) an agreement of a Person, direct or indirect, contingent or otherwise, the practical effect of which is to assure in any way the payment or performance (or payment of damages in the event of nonperformance) of all or any part of such Debt of another Person (and "*Guaranteed*" and "*Guaranteeing*" shall have meanings that correspond to the foregoing).

"*Guarantor*" means any Person that executes a Note Guarantee in accordance with the provisions of this Indenture and their respective successors and assigns.

"*Hedging Obligations*" of any Person means the obligations of such Person pursuant to any interest rate agreement, credit, commodity or equity swap, cap, floor, collar, forward transaction, physical transaction, hedge transaction, spot transaction, currency agreement or commodity agreement or any combination thereof.

"*Holder*" means a Person in whose name a Note is registered in the security register.

"*Incur*" means, with respect to any Debt or other obligation of any Person, to create, issue, incur (by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Debt or other obligation or the recording, as required pursuant to GAAP or otherwise, of any such Debt or other obligation on the balance sheet of such Person. Debt otherwise Incurred by a Person before it becomes a Subsidiary of the Company shall be deemed to be incurred at the time at which such Person becomes a Subsidiary of the Company. "*Incurrence*," "*Incurred*," "*Incurrable*" and "*Incurring*" shall have meanings that correspond to the foregoing. A Guarantee by the Company or a Restricted Subsidiary of Debt Incurred by the Company or a Restricted Subsidiary, as applicable, shall not be a separate Incurrence of Debt. In addition, the following shall not be deemed a separate Incurrence of Debt:

(i) amortization of debt discount or accretion of principal with respect to a non-interest bearing or other discount security;

(ii) the payment of regularly scheduled interest in the form of additional Debt of the same instrument or the payment of regularly scheduled dividends on Capital Interests in the form of additional Capital Interests of the same class and with the same terms;

(iii) the obligation to pay a premium in respect of Debt arising in connection with the issuance of a notice of redemption or making of a mandatory offer to purchase such Debt; and

(iv) unrealized losses or charges in respect of Hedging Obligations.

"*Indenture*" means this Indenture, as amended or supplemented from time to time.

"*Initial Notes*" has the meaning set forth in the preamble hereto.

"*Initial Purchasers*" means Merrill Lynch, Pierce, Fenner & Smith Incorporated and Barclays Capital Inc.

"*Intercreditor Agreement*" means that certain intercreditor agreement, dated as of the Issue Date, among the Issuer, the Credit Agreement Collateral Agent and the Trustee and Collateral Agent, as amended, modified, restated, supplemented or replaced from time to time in accordance with its terms.

"*Investment*" by any Person means any direct or indirect loan, advance (or other extension of credit) or capital contribution to (by means of any direct or indirect transfer of cash or other property or assets to another Person or any other payments for property or services for the account or use of another Person) another Person, including, without limitation, the following: (i) the purchase or acquisition of any Capital Interest or other evidence of beneficial ownership or bonds, notes, debentures or other securities in another Person and (ii) the purchase, acquisition or guarantee of the obligations of another Person or the issuance of a "keep-well" with respect thereto, but shall exclude: (a) accounts receivable and other extensions of trade credit in the normal course of business; (b) the acquisition of property and assets from suppliers and other vendors in the normal course of business; and (c) prepaid expenses and workers' compensation, utility, lease and similar deposits, in the normal course of business. For the avoidance of doubt, any payments pursuant to any guarantee of the Company or any of its Restricted Subsidiaries previously incurred in compliance with this Indenture shall not be deemed to be Investments by the Company or such Restricted Subsidiary, as the case may be.

"*Issue Date*" means March 16, 2015.

"*Issuer*" has the meaning set forth in the preamble hereto until a successor replaces it in accordance with the applicable provisions of this Indenture and, thereafter, means the successor.

"*Legal Holiday*" means a Saturday, a Sunday or a day on which banking institutions in The City of New York, the city in which the Corporate Trust Office of the Trustee is located or at a place of payment are authorized or required by law, regulation or executive order to remain closed. If a payment date in a place of payment is a Legal Holiday, payment shall be made at that place on the next succeeding day

that is not a Legal Holiday, and no interest shall accrue for the intervening period.

"*Lien*" means, with respect to any property or other asset, any mortgage, deed of trust, deed to secure debt, pledge, hypothecation, assignment, deposit arrangement, security interest, lien (statutory or otherwise), charge, easement, encumbrance or other security agreement on or with respect to such property or other asset (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing); *provided* that in no event shall an operating lease be deemed to constitute a Lien.

"*Moody's*" means, Moody's Investors Service, Inc. or any successor to the rating agency business thereof

"*Net Cash Proceeds*" means, with respect to Asset Sales of any Person, cash and Eligible Cash Equivalents received, net of (i) all reasonable out-of-pocket costs and expenses of such Person incurred in connection with such a sale, including, without limitation, all legal, accounting, title and recording tax expenses, commissions and other fees and expenses incurred and all federal, state, foreign and local taxes arising in connection with such an Asset Sale that are paid or required to be accrued as a liability under GAAP by such Person; (ii) amounts provided as a reserve, in accordance with GAAP, against any liabilities under any indemnification obligations associated with such Asset Sale; (iii) all payments made by such Person on any Debt that is secured by such properties or other assets in accordance with the terms of any Lien upon or with respect to such properties or other assets or that must, by the terms of such Lien or such Debt, or in order to obtain a necessary consent to such transaction or by applicable law, be repaid to any other Person (other than the Company or a Restricted Subsidiary thereof) in connection with such Asset Sale; and (iv) all contractually required distributions and other payments made to minority interest holders in Restricted Subsidiaries of such Person as a result of such transaction; *provided, however,* that, (a) in the event that any consideration for an Asset Sale (which would otherwise constitute Net Cash Proceeds) is required by (I) contract to be held in escrow pending determination of whether a purchase price adjustment will be made or (II) GAAP to be reserved against other liabilities in connection with such Asset Sale, such consideration (or any portion thereof) shall become Net Cash Proceeds only at such time as it is released to such Person from escrow or otherwise; and (b) any non-cash consideration received in connection with any transaction, which is subsequently converted to cash, shall become Net Cash Proceeds only at such time as it is so converted.

"*Note Custodian*" means the Trustee when serving as custodian for the Depositary with respect to the Global Notes, or any successor entity thereto.

"*Note Guarantee*" means any guarantee of the Notes by any Guarantor pursuant to this Indenture.

"*Note Liens*" means all Liens in favor of the Collateral Agent on Collateral securing the Note Obligations.

"*Note Obligations*" means the Debt Incurred and Obligations under this Indenture, the Notes and the Security Documents.

"*Notes*" has the meaning set forth in the preamble to this Indenture.

"*Obligations*" means any principal, premium, interest (including any interest and fees accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in the documentation with respect thereto, whether or not such interest or fees is an allowed claim under applicable state, federal or foreign law), penalties, fees, indemnifications, reimbursements (including reimbursement obligations with respect to letters of credit and banker's acceptances), damages and other liabilities, and guarantees of payment of such principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities, in each case, payable under the documentation governing any Debt.

"*Obsolete Equipment*" means equipment, property or assets that, in the ordinary course of the Company's and its Restricted Subsidiaries' business as presently conducted, are damaged, obsolete, surplus or at the end of their useful life, in each case as reasonably determined by the Company.

"*Offer*" has the meaning set forth in the definition of "Offer to Purchase."

"*Offer to Purchase*" means a written offer (the *"Offer")* sent by the Company by first class mail, postage prepaid (or in the case of Notes held in book-entry form, by electronic submission), to each Holder at his address appearing in the security register on the date of the Offer, offering to purchase up to the aggregate principal amount of Notes set forth in such Offer at the purchase price set forth in such Offer (as determined pursuant to this Indenture). Unless otherwise required by applicable law, the offer shall specify an expiration date (the *"Expiration Date")* of the Offer to Purchase which shall be, subject to any contrary requirements of applicable law, not less than 30 days or more than 60 days after the date of mailing of such Offer and a settlement date (the *"Purchase Date")* for purchase of Notes within five Business Days after the Expiration Date. The Company shall notify the Trustee prior to the mailing of the Offer of the Company's obligation to make an Offer to Purchase, and the Offer shall be prepared by the Company, and it shall be sent by the Company or, at the Company's request, it shall be mailed by the Trustee in the name and at the expense of the Company. The Offer shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase. The Offer shall also state:

(i) the Section of this Indenture pursuant to which the Offer to Purchase is being made;

(ii) the Expiration Date and the Purchase Date;

(iii) the aggregate principal amount of the outstanding Notes offered to be purchased pursuant to the Offer to Purchase (including,

if less than 100%, the manner by which such amount has been determined pursuant to Indenture covenants requiring the Offer to Purchase) (the *"Purchase Amount");*

(iv) the purchase price to be paid by the Company for each $1,000 principal amount of Notes accepted for payment (as specified pursuant to this Indenture);

(v) that the Holder may tender all or any portion of the Notes registered in the name of such Holder and that any portion of a Note tendered must be tendered in a minimum amount of $2,000 principal amount;

(vi) the place or places where Notes are to be surrendered for tender pursuant to the Offer to Purchase, if applicable;

(vii) that, unless the Company defaults in making such purchase, any Note accepted for purchase pursuant to the Offer to Purchase will cease to accrue interest on and after the Purchase Date, but that any Note not tendered or tendered but not purchased by the Company pursuant to the Offer to Purchase will continue to accrue interest at the same rate;

(viii) that, on the Purchase Date, the Purchase Amount will become due and payable upon each Note accepted for payment pursuant to the Offer to Purchase;

(ix) that each Holder electing to tender a Note pursuant to the Offer to Purchase will be required to surrender such Note or cause such Note to be surrendered at the place or places set forth in the Offer prior to the close of business on the Expiration Date (such Note being, if the Company or the Trustee so requires, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing); *provided, however,* that in the case of notes held in book entry form, holders must tender their notes in accordance with DTC's applicable procedures;

(x) that Holders will be entitled to withdraw all or any portion of Notes tendered if the Company (or its Paying Agent) receives, not later than the close of business on the Expiration Date, a facsimile transmission or letter setting forth the name of the Holder, the aggregate principal amount of the Notes the Holder tendered, the certificate number of the Note the Holder tendered and a statement that such Holder is withdrawing all or a portion of his tender; *provided* that in the case of Notes held in book entry form, holders must withdraw all or any portion of the Notes in accordance with DTC's applicable procedures;

(xi) that (a) if Notes having an aggregate principal amount less than or equal to the Purchase Amount are duly tendered and not withdrawn pursuant to the Offer to Purchase, the Company shall purchase all such Notes and (b) if Notes having an aggregate principal amount in excess of the Purchase Amount are tendered and not withdrawn pursuant to the Offer to Purchase, the Company shall purchase Notes having an aggregate principal amount equal to the Purchase Amount on a pro rata basis (with such adjustments as may be deemed appropriate so that only Notes in denominations of $2,000 principal amount or integral multiples of $1,000 in excess thereof shall remain outstanding following such purchase); *provided, however,* that if holders of other Debt also tender their Debt in such Offer to Purchase pursuant to an Asset Sale, then the Trustee will select the Notes and the Company or the agent for such other Permitted Additional Pan Passu Obligations or other Debt shall select the other Permitted Additional Pan Passu Obligations to be purchased on a pro rata basis; and

(xii) if applicable, that, in the case of any Holder whose Note is purchased only in part, the Company shall execute and the Trustee shall authenticate and deliver to the Holder of such Note without service charge, a new Note or Notes, of any authorized denomination as requested by such Holder in the aggregate principal amount equal to and in exchange for the un-purchased portion of the aggregate principal amount of the Notes so tendered.

"Offering Memorandum" means the Offering Memorandum related to the issuance of the Initial Notes on the Issue Date, dated March 5, 2015.

"Officer" means the Chairman, Chief Executive Officer, Chief Financial Officer, President, any Executive Vice President, Senior Vice President or Vice President, the Treasurer, Assistant Treasurer, the Secretary or Assistant Secretary of either of the Issuer or of any other Person, as the case may be.

"Officers' Certificate" means a certificate signed by one officer of the Company or a Guarantor, as applicable, who must be either the principal executive officer, the principal financial officer or the principal accounting officer of the Company or Guarantor, as applicable.

"OID Legend" means the legend identified as such in Exhibit A hereto.

"Opinion of Counsel" means an opinion addressed to the Trustee from a legal counsel reasonably acceptable to the Trustee. The counsel may be an employee of or counsel to the Company or any Subsidiary of the Company.

"Pari Passu Liens" means Liens securing Obligations ranking *pari passe* with the Notes which by their terms are intended to be secured equally and ratably with the Notes and are permitted pursuant to the applicable provisions of this Indenture and the Security Documents.

"Participant" means, with respect to DTC, a Person who has an account with DTC.

"Paying Agent" means any Person authorized by the Issuer to pay the principal of, premium, if any, or interest on, or redemption,

purchase, retirement, defeasance, covenant defeasance or similar payment with respect to, any Notes on behalf of the Issuer.

"Permitted Additional Pari Passu Obligations" means obligations under any Additional Notes or other Debt secured by the Pari Passu Liens; *provided* that the amount of such obligations does not exceed the greater of (i) $100 0 million and (ii) an aggregate principal amount such that immediately after giving effect to the Incurrence of such Additional Notes or other Debt and the receipt and application of the proceeds therefrom, the Consolidated Total Debt Ratio of the Company and its Restricted Subsidiaries would not be greater than 4.00 to 1.0, and Refinancing Debt incurred, issued or otherwise obtained to refinance (in whole or in part) such Debt (it being understood that such Refinancing Debt shall be taken into account in future determinations of Debt incurred under this definition of Permitted Additional Pari Passu Obligations; *provided further* that (i) the representative of such Permitted Additional Pari Passu Obligation (to the extent not then a party thereto) executes a joinder agreement to the Security Agreement and any other applicable Security Documents in the form attached thereto agreeing to be bound thereby and (ii) the Company has designated such Debt as "Permitted Additional Pari Passu Obligations" under the Security Agreement and any other applicable Security Documents.

"Permitted Business" means any business similar in nature to any business conducted by the Company and its Restricted Subsidiaries on the Issue Date and any business reasonably ancillary, incidental, complementary or related to the business conducted by the Company and its Restricted Subsidiaries on the Issue Date or a reasonable extension, development or expansion thereof, in each case, as determined in good faith by the Board of Directors of the Company.

"Permitted Collateral Liens" means:

(i) Liens securing the Notes outstanding on the Issue Date, Refinancing Debt with respect to such Notes, the Guarantees relating thereto and any Obligations with respect to such Notes, Refinancing Debt and Guarantees;

(ii) Pari Passu Liens securing Permitted Additional Pari Passu Obligations permitted to be incurred pursuant to this Indenture, which Liens are granted pursuant to the provisions of the Security Documents;

(iii) Liens existing on the Issue Date (other than Liens specified in clause (i) or (ii) above) or in clause (ii) of the definition of "Permitted Liens" and any extension, renewal, refinancing or replacement thereof so long as such extension, renewal, refinancing or replacement does not extend to any other property or asset and does not increase the outstanding principal amount thereof (except by the amount of any premium or fee paid or payable, the amount of customary fees, expenses and costs related thereto, or original issue discount in connection with such extension, renewal, replacement or refinancing);

(iv) Liens described in clauses (i), (ii) (which Liens shall be subject to the Intercreditor Agreement), (iii), (iv), (v), (vi), (vii), (ix), (x), (xi), (xii), (xiv), (xvii), (xviii), (xix), (xx), (xxi), (xxiii), (xxiv) (but only with respect to Liens otherwise described in this clause (iv)), (xxv), (xxvi), (xxvii), (xxviii), (xxix), (xxxi), (xxxii), (xxxiii) and (xxxiv) of the definition of "Permitted Liens"; and

(v) Liens on the Collateral in favor of the Collateral Agent relating to Collateral Agent's administrative expenses with respect to the Collateral.

"Permitted Debt" means:

(i) Debt Incurred pursuant to any Credit Agreement in an aggregate principal amount not to exceed $150 0 million plus an aggregate additional principal amount of Consolidated First Lien Debt outstanding at any one time that does not cause the Consolidated First Lien Secured Debt Ratio of the Company to exceed 1.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), minus any amounts used to permanently repay Obligations pursuant to clause (i) of the second paragraph of Section 4.10;

(ii) Debt outstanding under the Notes (excluding any Additional Notes), the Guarantees of the Notes and contribution, indemnification and reimbursement obligations owed by the Company or any Guarantor to any of the other of them in respect of amounts paid or payable on such Notes;

(iii) Debt of the Company or any Restricted Subsidiary outstanding at the time of the Issue Date (other than clause (i) or (ii) above);

(iv) Debt owed to and held by the Company or a Restricted Subsidiary; *provided* that if such Debt is owed by the Company or a Guarantor to a Restricted Subsidiary of the Company that is not a Guarantor, such Debt shall be subordinated in right of payment to the Note Obligations;

(v) Guarantees Incurred by the Company of Debt of a Restricted Subsidiary otherwise permitted to be Incurred under this Indenture;

(vi) Guarantees by any Restricted Subsidiary of Debt of the Company or any Restricted Subsidiary, including Guarantees by any Restricted Subsidiary of Debt under the Credit Agreement, *provided* that (a) such Debt is Permitted Debt or is otherwise Incurred in accordance with Section 4.9 and (b) such Guarantees are subordinated to the Notes to the same extent as the Debt being guaranteed;

(vii) Debt Incurred in respect of workers' compensation claims, health, disability or other employee benefits, casualty or liability insurance, self-insurance obligations, indemnity, bid, performance, warranty, release, appeal, surety and similar bonds, letters of credit for operating purposes and completion guarantees provided or Incurred (including Guarantees thereof) by the Company or a Restricted Subsidiary in the ordinary course of business;

(viii) Debt under Hedging Obligations entered into to protect the Company and the Restricted Subsidiaries from fluctuations in interest rates, commodity prices and currency exchange rates and guarantees in respect thereof;

(ix) Debt of the Company or any Restricted Subsidiary pursuant to Capital Lease Obligations and Purchase Money Debt under this clause (ix), *provided* that the aggregate principal amount (or liquidation preference, if applicable) of such Debt Incurred may not exceed $25.0 million at any one time outstanding;

(x) Debt arising from agreements of the Company or a Restricted Subsidiary providing for indemnification, contribution, earnout, adjustment of purchase price or similar obligations, (including letters of credit, surety bonds or performance bonds securing any obligations of the Company or any Restricted Subsidiary pursuant to such agreements) in each case, Incurred or assumed in connection with the acquisition or disposition of any business, assets or Capital Interests of a Restricted Subsidiary otherwise permitted under this Indenture;

(xi) the issuance by any of the Company's Restricted Subsidiaries to the Company or to any of its Restricted Subsidiaries of shares of Preferred Interests; *provided*, *however*, that:

(a) any subsequent issuance or transfer of Capital Interests that results in any such Preferred Interests being held by a Person other than the Company or a Restricted Subsidiary; and

(b) any sale or other transfer of any such Preferred Interests to a Person that is not the Company or a Restricted Subsidiary;

shall be deemed, in each case, to constitute an issuance of such Preferred Interests by such Restricted Subsidiary that was not permitted by this clause (xi);

(xii) Debt arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business;

(xiii) Debt of the Company or any Restricted Subsidiary not otherwise permitted hereunder, in an aggregate principal amount (or liquidation preference, as applicable) which when aggregated with the principal amount (or liquidation preference, as applicable) of all other Debt then outstanding Incurred pursuant to this clause (xiii), does not exceed $50 0 million at any one time outstanding (it being understood that any Debt Incurred under this clause (xiii) shall cease to be deemed Incurred or outstanding for purposes of this clause (xiii) but shall be deemed Incurred for purposes of the first paragraph of Section 4.9 from and after the first date on which the Company, or the Restricted Subsidiary, as the case may be, could have Incurred such Debt under such first paragraph of such covenant without reliance on this clause (xiii));

(xiv) Refinancing Debt in respect of Debt permitted by clauses (ii) or (iii) above, this clause (xiv), clause (xxiii) below, or the first paragraph under Section 4.9;

(xv) Debt of the Company or any of its Restricted Subsidiaries arising from customary cash management services or in connection with any automated clearinghouse transfer of funds in the ordinary course of business;

(xvi) Debt Incurred by the Company or any Restricted Subsidiary to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy and discharge the Notes in accordance with this Indenture;

(xvii) (a) guarantees Incurred in the ordinary course of business in respect of obligations to suppliers, customers, franchisees, lessors and licensees that, in each case, are not Affiliates and (b) Debt incurred by the Company or a Restricted Subsidiary as a result of leases entered into by the Company or such Restricted Subsidiary in the ordinary course of business on behalf of customers for equipment to be used by the Company or such Restricted Subsidiary, such customers or a subcontractor in providing services to a customer and for which the Company or Restricted Subsidiary will be reimbursed by such customer;

(xviii) [Reserved].

(xix) Debt of the Company or any Guarantor supported by a letter of credit or bank guarantee issued pursuant to the Credit Agreement, in a principal amount not in excess of the stated amount of such letter of credit or bank guarantee;

(xx) Debt of the Company or any Restricted Subsidiary consisting of (x) the financing of insurance premiums or (y) take or pay obligations contained in supply arrangements, in each case, entered into in the ordinary course of business;

(xxi) Indebtedness arising in connection with endorsement of instruments for deposit in the ordinary course of business;

(xxii) Debt of the Company or a Restricted Subsidiary incurred to finance or assumed in connection with an acquisition (or merger or consolidation), if after giving effect to such acquisition (or merger or consolidation) and the Incurrence of such Debt either:

(1) the Company would be permitted to Incur at least $1.00 of additional Debt pursuant to the Ratio Test; or

(2) the Consolidated Fixed Charge Coverage Ratio would be no worse than immediately prior to such acquisition (or merger or consolidation); and

(xxiii) Shareholder Plan Subordinated Debt not to exceed $10 0 million in any calendar year.

Notwithstanding anything herein to the contrary, Debt permitted under clause (i) of this definition of "Permitted Debt" shall not constitute "Refinancing Debt" under clause (xiv) of this definition of "Permitted Debt."

"Permitted Holder" means each of (i) Ronald M. Simon, (ii) any trusts or family partnerships established, or caused to be established, by Ronald M. Simon for estate planning purposes and any of their respective Related Beneficiaries and (iii) any charitable foundation established, or caused to be established, by Ronald M. Simon, including, without limitation, the Simon Foundation for Education and Housing.

"Permitted Investments" means:

(i) Investments in existence on the Issue Date;

(ii) Investments required pursuant to any agreement or obligation of the Company or a Restricted Subsidiary, in effect on the Issue Date, to make such Investments;

(iii) Eligible Cash Equivalents;

(iv) Investments in property and other assets, owned or used by the Company or any Restricted Subsidiary in the operation of a Permitted Business;

(v) (a) Investments by the Company or any of its Restricted Subsidiaries in the Company or any Restricted Subsidiary that is a Guarantor and (b) Investments by any Restricted Subsidiary that is not a Guarantor;

(vi) Investments by the Company or any Restricted Subsidiary in a Person, if as a result of such Investment (a) such Person becomes a Guarantor or (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated or wound-up into, the Company or a Guarantor;

(vii) Hedging Obligations entered into to protect the Company and the Restricted Subsidiaries from fluctuations in interest rates, commodity prices and currency exchange rates and not for speculative purposes or otherwise permitted under clause (viii) of the definition of "Permitted Debt";

(viii) Investments received in settlement of obligations or claims owed to the Company or any Restricted Subsidiary and as a result of bankruptcy, workout, reorganization, recapitalization or insolvency proceedings or upon the foreclosure or enforcement of any Lien in favor of the Company or any Restricted Subsidiary or transfer of title with respect to any secured Investment in default;

(ix) Investments by the Company or any Restricted Subsidiary not otherwise permitted under this definition, having a Fair Market Value, taken together with all other Investments made pursuant to this clause (ix) that are at the time outstanding, not to exceed $75 0 million at any one time outstanding (with Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value); *provided, however,* that if any Investment pursuant to this clause (ix) is made in any Person that is not a Guarantor at the date of the making of such Investment and such Person becomes a Guarantor after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (v) above and shall cease to have been made pursuant to this clause (ix) for so long as such Person continues to be a Guarantor;

(x) (A) loans and advances (other than loans and advances covered by the following clause (B) or (C)) to employees in an amount not to exceed $5 0 million in the aggregate at any one time outstanding, (B) loans or advances against, and repurchases of capital stock and options of the Company and its Restricted Subsidiaries held by management and employees in connection with any stock option, deferred compensation or similar benefit plans approved by the Board of Directors (or similar governing body) and otherwise issued in accordance with the terms of this Indenture and (C) travel and relocation loans and advances to employees made in the ordinary course of business;

(xi) Investments the payment for which consists solely of Qualified Capital Interests of the Company or any direct or indirect parent company of the Company, as applicable;

(xii) any Investment in any Person to the extent such Investment represents the non-cash portion of the consideration received in connection with an Asset Sale consummated in compliance with Section 4.10 or any other disposition of property or assets not constituting an Asset Sale;

(xiii) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business and consistent with past practice;

(xiv) guarantees by the Company or any Restricted Subsidiary of Debt of the Company or a Restricted Subsidiary otherwise permitted by Section 4.9;

(xv) the issuance of any letter of credit or similar support for the obligations of any insurance Subsidiary in the ordinary course of business;

(xvi) Investments consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(xvii) Investments of a Restricted Subsidiary of the Company acquired after the Issue Date or of an entity merged into or consolidated with the Company or a Restricted Subsidiary in a transaction that is not prohibited by Section 5.1 after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation; and

(xviii) any Investment by the Company or any Restricted Subsidiary in Foreign Subsidiaries or in connection with a joint venture on or after the Issue Date not to exceed $75 0 million, in aggregate amount at any one time outstanding (with Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value) so long as such Foreign Subsidiary or joint venture is engaged only in a Permitted Business.

"Permitted Liens" means:

(i) Liens existing at the Issue Date (other than) those securing Credit Agreement Obligations);

(ii) Liens that secure Obligations Incurred pursuant to clause (i) or (viii) of the definition of "Permitted Debt" (including cash management obligations and Hedging Obligations owed to a lender or an Affiliate of a lender or a Person that was a lender or an affiliate of a lender at the time it entered into such cash management obligation or Hedging Obligation under the Credit Agreement and described as "Bank Product Obligations" in the Intercreditor Agreement), *provided* that such Liens are subject to the provisions of the Intercreditor Agreement;

(iii) any Lien for taxes or assessments or other governmental charges or levies not then due and payable (or which, if due and payable, are being contested in good faith by appropriate proceedings and for which adequate reserves are being maintained);

(iv) any carrier's, warehousemen's, materialmen's, mechanic's, landlord's, repairmen's or other similar Liens arising, in the case of such other similar Liens, in the ordinary course of business and by law for sums not then due and payable after giving effect to any applicable grace periods (or which, if due and payable, are being contested in good faith by appropriate proceedings and with respect to which adequate reserves are being maintained);

(v) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other similar restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Debt and which do not individually or in the aggregate materially adversely affect the value of the Company or its Subsidiaries or materially impair the operation of the business of such Person;

(vi) pledges or deposits (a) in connection with workers' compensation, unemployment insurance and other types of statutory obligations, completion guarantees or the requirements of any official body, or (b) to secure the performance of tenders, bids, surety or performance bonds, leases, purchase, construction, sales, work in process relating to progress payment contracts for the construction of equipment or servicing contracts and other similar obligations Incurred in the normal course of business consistent with industry practice; or (c) to obtain or secure obligations with respect to letters of credit, Guarantees, bonds or other sureties or assurances given in connection with the activities described in clauses (a) and (b) above or (d) arising in connection with any attachment unless such Liens shall not be satisfied or discharged or stayed pending appeal within 60 days after the entry thereof or the expiration of any such stay;

(vii) Liens on property of a Person existing at the time such Person is merged with or into or consolidated with the Company or a Restricted Subsidiary, or becomes a Restricted Subsidiary or Liens on any property or asset prior to the acquisition thereof by the Company (and in any case not created or Incurred in anticipation of such transaction other than Liens to secure Debt Incurred pursuant to clause (xxii) of the definition of "Permitted Debt"); *provided* that such Liens are not extended to the property and assets of the Company and its Restricted Subsidiaries other than the property or assets acquired (other than pursuant to after-acquired property clauses in effect with respect to such Lien at the time of acquisition of a Person on property of such Person of the type that would have been subject to such Lien notwithstanding the occurrence of such acquisition);

(viii) Liens in favor of the Company or any Guarantor, Liens on assets of a Restricted Subsidiary of the Company that is not a Guarantor in favor solely of another Restricted Subsidiary of the Company that is not a Guarantor, and Liens securing Debt of a Restricted Subsidiary that is a Guarantor owed to and held by the Company or a Restricted Subsidiary that is a Guarantor thereof;

(ix) other Liens (not securing Debt) incidental to the conduct of the business of the Company or any of its Restricted Subsidiaries, as the case may be, or the ownership of their assets which do not individually or in the aggregate materially adversely affect the value of such assets or materially impair the operation of the business of the Company or any of its Restricted Subsidiaries;

(x) Liens to secure any permitted extension, renewal, refinancing or refunding (or successive extensions, renewals, refinancings or refundings), in whole or in part, of any Debt secured by Liens referred to in the foregoing clause (vii); *provided* that such Liens do not extend to any other property or assets and the principal amount of the obligations secured by such Liens is not greater than the sum of the outstanding principal amount of the refinanced Debt plus any fees and expenses, including premiums or original issue discount related to such extension, renewal, refinancing or refunding;

(xi) Liens in favor of customs or revenue authorities arising as a matter of law to secure payment of custom duties in connection with the importation of goods incurred in the ordinary course of business;

(xii) licenses of intellectual property granted in the ordinary course of business;

(xiii) Liens to secure Capital Lease Obligations permitted to be incurred pursuant to clause (ix) of the definition of "Permitted Debt," *provided* that such Liens do not extend to any Collateral;

(xiv) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligation in respect of banker's acceptances issued or created in the ordinary course of business for the account of such Person to facilitate the purchase, shipment, or storage of such inventory or other goods;

(xv) Liens securing Purchase Money Debt permitted to be Incurred pursuant to clause (ix) of the definition of "Permitted Debt" to finance the construction, purchase or lease of, or repairs, improvements or additions to, property, plant, equipment or other assets of such Person (whether through direct purchase of assets or Capital Interests of any Person owning such assets); *provided, however,* that the Lien may not extend to any Collateral or other property owned by such Person or any of its Restricted Subsidiaries at the time the Lien is Incurred (other than assets and property affixed or appurtenant thereto and any proceeds thereof and except for customary cross collateral arrangements with respect to property or equipment financed by the same financing source pursuant to the same financing scheme);

(xvi) Liens on property or shares of Capital Interests of another Person at the time such other Person becomes a Subsidiary of such Person; *provided, however,* that (a) the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries (other than assets and property affixed or appurtenant thereto and proceeds thereof) and (b) such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Restricted Subsidiary;

(xvii) Liens (a) that are contractual rights of set-off (i) relating to the establishment of depository relations with banks not given in connection with the issuance of Debt, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Restricted Subsidiaries to permit satisfaction of overdraft or similar obligations and other cash management activities incurred in the ordinary course of business of the Company and/or any of its Restricted Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Restricted Subsidiaries in the ordinary course of business and (b) of a collection bank arising under Section 4-210 of the UCC on items in the course of collection, (Y) encumbering reasonable customary initial deposits and margin deposits and attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business, and (Z) in favor of banking institutions arising as a matter of law or pursuant to customary account agreements encumbering deposits (including the right of set-off) and which are within the general parameters customary in the banking industry;

(xviii) Liens securing judgments not constituting an Event of Default under clause (7) under Section 6.1 so long as such Liens are adequately bonded and any appropriate legal proceedings that may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(xix) deposits made in the ordinary course of business to secure liability to insurance carriers, lessors, utilities and other service providers;

(xx) leases, subleases, licenses or sublicenses granted to others in the ordinary course of business so long as such leases, subleases, licenses or sublicenses which do not materially interfere with the ordinary conduct of the business of the Company or any Restricted Subsidiaries and do not secure any Debt;

(xxi) Liens arising from UCC financing statement filings or other applicable similar filings regarding operating leases entered into by the Company or any Restricted Subsidiary in the ordinary course of business;

(xxii) Liens on the assets of a Restricted Subsidiary that is not a Guarantor securing Debt and other obligations of such Restricted Subsidiary incurred in compliance with this Indenture;

(xxiii) Liens on the Collateral granted under the Security Documents in favor of the Collateral Agent to secure the Notes

outstanding on the Issue Date, the Guarantees and the Permitted Additional Pari Passu Obligations;

(xxiv) any extensions, renewal, replacement, refunding or refinancing (or successive extensions, renewals, replacements, refunding or refinancing), in whole or in part, of any Lien described in the foregoing clauses (i) through (xxiii) and clauses (xxv) through (xxxiv) below; *provided* that any such extension, renewal, replacement refunding or refinancing shall not extend to any other property other than such item of property originally covered by such Lien or by improvement thereof or additions or accessions thereto (including any after acquired property to the extent it would have been subject to the original Lien);

(xxv) Liens securing Debt, as measured by principal amount, which, when taken together with the principal amount of all other Debt secured by Liens pursuant to this clause (xxv) at the time of determination, does not exceed $50.0 million in the aggregate at any one time outstanding.

(xxvi) with respect to any leasehold interest where the Company or any Restricted Subsidiary is a lessee, tenant, subtenant or other occupant, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under a landlord or sublandlord of such leased real property encumbering such landlord's or sublandlord's interest in such leased real property;

(xxvii) Liens on equipment of the Company or any Restricted Subsidiary granted in the ordinary course of business to the Company's or such Restricted Subsidiary's client at which such equipment is located;

(xxviii) Liens on the Capital Interests of Unrestricted Subsidiaries;

(xxix) any encumbrance or restriction (including put and call arrangements) with respect to Capital Interests of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(xxx) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of the Company or any Restricted Subsidiary;

(xxxi) [Reserved];

(xxxii) Liens on shares of Capital Interests of a joint venture held by the Company or any Guarantor;

(xxxiii) Liens securing Hedging Obligations not incurred in violation of the Indenture (and not for speculative purposes); *provided* that with respect to Hedging Obligations relating to Debt, such Lien extends only to the property securing such Debt; and

(xxxiv) Liens securing insurance premium financing arrangements; *provided* that such Lien is limited to the applicable insurance carriers and the related insurance policy, rights and obligations thereunder and/or proceeds thereof.

"Person" means any individual, corporation, limited liability company, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Interests," as applied to the Capital Interests in any Person, means Capital Interests in such Person of any class or classes (however designated) that rank prior, as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of such Person, to shares of Common Interests in such Person.

"Pro Forma Cost Savings" means, without duplication, with respect to any period, the net reduction in costs and other operating improvements or synergies that have been realized or are reasonably anticipated to be realized in good faith with respect to a pro forma event within twelve months of the date of such pro forma event and that are reasonable and factually supportable, as if all such reductions in costs had been effected as of the beginning of such period, decreased by any incremental expenses incurred or to be incurred during such four-quarter period in order to achieve such reduction in costs; *provided* that (A) Pro Forma Cost Savings described in the preceding sentence shall be accompanied by a certificate delivered to the Trustee from the Company's Chief Financial Officer that outlines the specific actions taken or to be taken and the net cost reductions and other operating improvements or synergies achieved or to be achieved from each such action and certifies that such cost reductions and other operating improvements or synergies meet the criteria set forth in the preceding sentence, (B) no cost savings or operating expense reductions shall be added pursuant to this defined term to the extent duplicative of any expense or charges otherwise added to Consolidated EBITDA, whether a pro forma adjustment or otherwise, for such period, (C) the aggregate amount of cost savings and operating expense reductions added pursuant to this definition in any period of Four-Quarter Period shall not exceed 10% of Consolidated EBITDA for such Four-Quarter Period (determined prior to giving effect to any such Pro Forma Cost Savings) and (D) projected amounts (and not yet realized) may no longer be added in calculating Consolidated EBITDA pursuant to this definition to the extent occurring more than four full fiscal quarters after the specified action taken in order to realize such projected cost savings and operating expense reductions.

"Purchase Amount" has the meaning set forth in the definition of "Offer to Purchase."

"Purchase Date" has the meaning set forth in the definition of "Offer to Purchase."

"Purchase Money Debt" means Debt (i) Incurred to finance the purchase, lease, construction (including additions) or improvement

of any assets (whether through the direct purchase of assets or the Capital Interests of any Person owning such assets) of such Person or any Restricted Subsidiary; and (ii) that is secured by a Lien on such assets where the lender's sole security is to the assets so purchased or constructed (and assets or property affixed or appurtenant thereto and any proceeds thereof).

"*Qualified Capital Interests*" in any Person means a class of Capital Interests other than Redeemable Capital Interests.

"*Qualified Equity Offering*" means (i) a public equity offering of Qualified Capital Interests of the Company or any direct or indirect parent of the Company pursuant to an effective registration statement under the Securities Act or (ii) a private equity offering of Qualified Capital Interests of the Company or any direct or indirect parent of the Company, other than (x) any such public or private sale to an entity that is an Affiliate of the Company, and (y) any public offerings registered on Form S-8.

"*Real Property*" means any estates or interests in real property now or hereafter owned or otherwise held or leased (including any ground lease) by the Company or its Restricted Subsidiaries and the improvements thereto.

"*Redeemable Capital Interests*" in any Person means any equity security of such Person that by its terms (or by terms of any security into which it is convertible or for which it is exchangeable), or otherwise (including the passage of time or the happening of an event), is required to be redeemed, is redeemable at the option of the holder thereof in whole or in part (including by operation of a sinking fund), or is convertible or exchangeable for Debt of such Person at the option of the holder thereof, in whole or in part, at any time prior to the Stated Maturity of the Notes; *provided* that only the portion of such equity security which is required to be redeemed, is so convertible or exchangeable or is so redeemable at the option of the holder thereof before such date will be deemed to be Redeemable Capital Interests. Notwithstanding the preceding sentence, any equity security that would constitute Redeemable Capital Interests solely because the holders of the equity security have the right to require the Company or its Restricted Subsidiaries to repurchase such equity security upon the occurrence of a Change of Control or an Asset Sale will not constitute Redeemable Capital Interests if the terms of such equity security provide that the Company or such Restricted Subsidiary, as the case may be, may not repurchase or redeem any such equity security pursuant to such provisions unless such repurchase or redemption complies with Section 4.7. The amount of Redeemable Capital Interests deemed to be outstanding at any time for purposes of this Indenture will be the maximum amount that the Company and its Restricted Subsidiaries may become obligated to pay upon the maturity of, or pursuant to any mandatory redemption provisions of, such Redeemable Capital Interests or portion thereof, exclusive of accrued dividends.

"*Refinancing Debt*" means Debt that refunds, refinances, renews, replaces, extends, discharges or defeases any Debt permitted to be Incurred by the Company or any Restricted Subsidiary pursuant to the terms of this Indenture, whether involving the same or any other lender or creditor or group of lenders or creditors, but only to the extent that

(i) the Refinancing Debt is subordinated to the Notes to at least the same extent as the Debt being refunded, renewed, refinanced or replaced, extended, discharged or defeased, if such Debt was subordinated to the Notes,

(ii) the Refinancing Debt is scheduled to mature either (a) no earlier than the Debt being refunded, refinanced or extended or (b) at least 91 days after the maturity date of the Notes;

(iii) the Refinancing Debt has a Weighted Average Life to Maturity at the time such Refinancing Debt is Incurred that is either (a) equal to or greater than the Weighted Average Life to Maturity of the Debt being refunded, refinanced, renewed, replaced, extended, discharged or defeased or (b) at least 91 days after the maturity date of the Notes,

(iv) such Refinancing Debt is in an aggregate principal amount that is less than or equal to the sum of (a) the aggregate principal or accreted amount (in the case of any Debt issued with original issue discount, as such or, if applicable, the liquidation preference face amount or the like) then outstanding under the Debt being refunded, refinanced, renewed, replaced or extended, (b) the amount of accrued and unpaid interest, if any, and premiums (including tender premiums), if any, with respect to such Debt being refunded, refinanced, renewed, replaced, extended, discharged or defeased and (c) the amount of fees, expenses and costs related to the Incurrence of such Refinancing Debt; and

(v) such Refinancing Debt is Incurred by the same Person (or its successor) that initially Incurred the Debt being refunded, refinanced, renewed, replaced, extended, discharged or defeased, except that (i) the Company and any Restricted Subsidiary that is a Guarantor may Incur Refinancing Debt to refund, refinance, renew, replace or extend Debt of, the Company or any Restricted Subsidiary of the Company that is a Guarantor and (ii) any Restricted Subsidiary of the Company that is not a Guarantor may Incur Refinancing Debt to refund, refinance, renew, replace, extend, discharge or defease Debt of any Restricted Subsidiary of the Company that is not a Guarantor;

provided that subclauses (i), (ii) and (iii) of this definition shall not apply to any refunding, refinancing, renewal, replacement or extension of any secured Debt constituting Consolidated First Lien Debt.

"*Related Beneficiary*" means a Relative of Ronald M. Simon that is or was a beneficiary of a trust or family partnership established, or caused to be established, by him for estate planning purposes.

"*Relative*" means, with respect to any individual, the spouse, parents, siblings and descendants of such individual and their respective issue (whether by blood or adoption and including stepchildren) and the spouses of such persons.

"Responsible Officer" means, when used with respect to the Trustee, any officer of the Trustee within the Corporate Trust Department (or any successor unit or department) of the Trustee assigned to the Corporate Trust Office of the Trustee and responsible for administering this Indenture, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

"Restricted Notes Legend" means the legend identified as such in Exhibit A hereto.

"Restricted Payment" is defined to mean any of the following:

(i) any dividend or other distribution declared and paid on the Capital Interests in the Company or on the Capital Interests in any Restricted Subsidiary of the Company that are held by, or declared and paid to, any Person other than the Company or a Restricted Subsidiary of the Company; *provided* that (a) dividends, distributions or payments, in each case, made solely in Qualified Capital Interests in the Company or any Restricted Subsidiary of the Company, as applicable, and (b) dividends or distributions payable to a Restricted Subsidiary of the Company or to other holders of Capital Interests of a Restricted Subsidiary of the Company on a pro rata basis shall not be "Restricted Payments";

(ii) any payment made by the Company or any of its Restricted Subsidiaries to purchase, redeem, acquire or retire any Capital Interests in the Company or any of its Restricted Subsidiaries, including any issuance of Debt, in exchange for such Capital Interests or the conversion or exchange of such Capital Interests into or for Debt other than any such Capital Interests owned by the Company or any Restricted Subsidiary;

(iii) any payment made by the Company or any of its Restricted Subsidiaries (other than a payment made solely in Qualified Capital Interests in the Company) to redeem, repurchase, defease (including an in substance or legal defeasance) or otherwise acquire or retire for value (including pursuant to mandatory repurchase covenants), prior to any scheduled maturity, scheduled sinking fund or mandatory redemption payment, Debt of the Company or any Guarantor that is subordinate (whether pursuant to its terms or by operation of law) in right of payment to the Notes or Note Guarantees (excluding any Debt owed to the Company or any Restricted Subsidiary); except payments of principal in anticipation of satisfying a sinking fund obligation or final maturity, in each case, within one year of the due date thereof; and

(iv) any Investment by the Company or a Restricted Subsidiary in any Person (including an Unrestricted Subsidiary), other than a Permitted Investment.

"Restricted Subsidiary" means any Subsidiary that has not been designated as an "Unrestricted Subsidiary" in accordance with this Indenture.

"Securities Act" means the Securities Act of 1933, as amended.

"Security Agreement" means the security agreement to be dated as of the Issue Date between the Collateral Agent, the Company and the Guarantors granting, among other things, a second-priority Lien on the Collateral subject to Permitted Liens, in each case in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and the holders of any Permitted Additional Pari Passu Obligations, as amended, modified, restated, supplemented or replaced from time to time in accordance with its terms.

"Security Documents" means the Security Agreement, any mortgages, deeds of trust, deeds to secure debt, the Intercreditor Agreement and all of the security agreements, pledges, collateral assignments, mortgages, deeds of trust, trust deeds or other instruments evidencing or creating or purporting to create any security interests in favor of the Collateral Agent for its benefit and for the benefit of the Trustee and the Holders of the Notes and the holders of any Permitted Additional Pari Passu Obligations, in all or any portion of the Collateral, as amended, modified, restated, supplemented or replaced from time to time.

"Senior Secured Note Documents" means this Indenture, the Notes, the Note Guarantees and the Security Documents.

"Shareholder Plan Subordinated Debt" means subordinated Debt incurred by the Company to finance or refinance stock option transactions and redemption of Capital Interests issued pursuant to a stock compensation or similar plan.

"Significant Subsidiary" has the meaning set forth in Rule 1-02 of Regulation S-X under the Securities Act and Exchange Act, but shall not include any Unrestricted Subsidiary.

"Standard & Poor's" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, or any successor to the rating agency business thereof

"Stated Maturity," when used with respect to (i) any Note or any installment of interest thereon, means the date specified in such Note as the fixed date on which the principal amount of such Note or such installment of interest is due and payable and (ii) any other Debt or any installment of interest thereon, means the date specified in the instrument governing such Debt as the fixed date on which the principal of such Debt or such installment of interest is due and payable or such other date as specified herein.

"Subsidiary" means, with respect to any specified Person,

(1) any corporation, association or other business entity (other than a trust) of which more than 50% of the total voting power of shares of Capital Interests entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders' agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

(2) any partnership or limited liability company of which (a) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by such Person or one or more of the other Subsidiaries of that Person or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (b) such Person or any Subsidiary of such Person is a controlling general partner or otherwise controls such entity.

"*TIA*" means the Trust Indenture Act of 1939 (15 U.S. Code §§ 77aaa-77bbbb), as amended, as in effect on the date hereof.

"*Total Assets*" means, with respect to any Person, the total consolidated assets of such Person and its Subsidiaries in accordance with GAAP, as shown on the then most recent balance sheet of such Person.

"*Transaction Date*" has the meaning set forth in the definition of "Consolidated Fixed Charge Coverage Ratio."

"*Transactions*" means the Transactions (as defined in the Offering Memorandum), including the issuance of the Notes and the application of the use of proceeds as described in the Offering Memorandum.

"*Transfer Restricted Notes*" means Notes that bear or are required to bear the Restricted Notes Legend.

"*Treasury Rate*" means with respect to the Notes, as of the applicable redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to such redemption date (or, in the case of a satisfaction and discharge or defeasance, two business days prior to the date on which funds are deposited with the Trustee) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to March 15, 2018; *provided* that if no published maturity exactly corresponds with such date, then the Treasury Rate shall be interpolated or extrapolated on a straight-line basis from the arithmetic mean of the yields for the next shortest and next longest published maturities; *provided, however,* that if the period from such redemption date to March 15, 2018 is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"*Trust Monies*" means all cash, Eligible Cash Equivalents and cash equivalents received by the Trustee:

(1) upon the release of Collateral from the Lien of the Indenture or the Security Documents, including all Net Cash Proceeds and all moneys received in respect of the principal of all purchase money, governmental and other obligations;

(2) pursuant to the Security Documents;

(3) as proceeds of any sale or other disposition of all or any part of the Collateral by or on behalf of the Trustee or any collection, recovery, receipt, appropriation or other realization of or from all or any part of the Collateral pursuant to the Indenture or any of the Security Documents or otherwise; or

(4) for application as provided in the relevant provisions of the Indenture or any Security Document or which disposition is not otherwise specifically provided for in the Indenture or in any Security Document;

provided, however, that Trust Monies shall in no event include any property deposited with the Trustee for any redemption, legal defeasance or covenant defeasance of Notes, for the satisfaction and discharge of the Indenture or to pay the purchase price of Notes pursuant to an Offer to Purchase in accordance with the terms of the Indenture and shall not include any cash received or applicable by the Trustee in payment of its fees, expenses, indemnity or other similar payments (or, prior to the Discharge of Credit Agreement Obligations, any Collateral).

"*Trustee*" has the meaning set forth in the preamble to this Indenture until a successor replaces it in accordance with the applicable provisions of this Indenture and, thereafter, means the successor.

"*UCC*" means the Uniform Commercial Code (or any successor statute) as in effect from time to time in the State of New York; *provided, however,* that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent's security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other that the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"*Unrestricted Cash*" means cash and Eligible Cash Equivalents of the Company or any of its Restricted Subsidiaries that would not appear as "restricted" on a consolidated balance sheet of the Company or any of its Restricted Subsidiaries.

"*Unrestricted Subsidiary*" means:

(1) any Subsidiary designated as such by the Board of Directors of the Company in compliance with Section 4.19; and

(2) any Subsidiary of an Unrestricted Subsidiary.

"*U.S.A. Patriot Act*" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 U.S.A. Patriot Act (Title III of Pub. L. 107-56).

"*Voting Interests*" means, with respect to any Person, securities of any class or classes of Capital Interests in such Person entitling the holders thereof generally to vote on the election of members of the Board of Directors or comparable body of such Person.

"*Weighted Average Life to Maturity*" means, when applied to any Debt, at any date, the quotient obtained by dividing (1) the sum of the products of the number of years from the date of determination to the date of each successive scheduled principal payment of such Debt multiplied by the amount of such payment, by (2) the sum of all such payments.

SECTION 1.2 Other Definitions.

Term	Defined in Section
"Act"	13.13
"Affiliate Transaction"	4.11
"Agent Members"	2.6
"Change of Control Offer"	4.14
"Change of Control Payment"	4.14
"Company Order"	2.2
"covenant defeasance"	8.3
"Covenant Suspension Event"	4.21(a)
"Custodian"	6.1
"defeasance"	8.3
"Discharge"	8.8
"Event of Default"	6.1
"Excess Proceeds"	4.10
"legal defeasance"	8.2
"Note Register"	2.3
"obligor"	1.3
"Offer Amount"	3.9
"Purchase Price"	4.14
"QM"	2.1
"QIB Global Note"	2.1
"Ratio Test"	4.9
"redemption date"	3.1
"Registrar"	2.3
"Regulation S"	2.1
"Regulation S Global Note"	2.1
"Reversion Date"	4.21(b)
"Rule 144A"	2.1
"Surviving Entity"	5.1
"Suspended Covenants"	4.21(a)
"Suspension Date"	4.21(a)
"Suspension Period"	4.21(c)

SECTION 1.3 Incorporation by Reference of Trust Indenture Act.

Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in, and made a part of, this Indenture.

The following TIA term used in this Indenture has the following meaning:

"obligor" on the Notes means the Issuer, the Guarantors and any successor obligor upon the Notes.

Unless otherwise defined herein, all other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by the Commission rule under the TIA have the meanings so assigned to them therein.

SECTION 1.4 Rules of Construction.

Unless the context otherwise requires:

(1) a term has the meaning assigned to it herein;

(2) an accounting term not otherwise defined herein has the meaning assigned to it in accordance with GAAP;

(3) "or" is not exclusive;

(4) words in the singular include the plural, and in the plural include the singular;

(5) unless otherwise specified, any reference to Section or Article refers to such Section or Article of this Indenture;

(6) provisions apply to successive events and transactions;

(7) references to sections of or rules under the Securities Act, the Exchange Act or the TIA shall be deemed to include substitute, replacement or successor sections or rules adopted by the Commission from time to time;

(8) "including" means "including without limitation"; and

(9) "will" shall be interpreted to express a command.

ARTICLE II

THE NOTES

SECTION 2.1 Form and Dating.

The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. The Notes may have notations, legends or endorsements required by law, stock exchange rule or usage. Each Note shall be dated the date of its authentication. The Notes initially shall be issued only in denominations of $2,000 and integral multiples of $1,000 in excess thereof.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

(a) The Notes shall be issued initially in the form of one or more Global Notes substantially in the form of Exhibit A attached hereto and shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee as custodian for the Depositary, and registered in the name of the Depositary or a nominee of the Depositary, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided.

Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate amount of outstanding Notes from time to time endorsed thereon and that the aggregate amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges, redemptions and transfers of interests. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Custodian, at the direction of the Trustee, in accordance with written instructions given by the Holder thereof as required by Section 2.6 hereof.

Except as set forth in Section 2.6 hereof, the Global Notes may be transferred, in whole and not in part, only to another nominee of the Depositary or to a successor of the Depositary or its nominee.

(b) The Initial Notes are being issued by the Issuer only (i) to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act *("Rule 144A")) ("QIBs")* or (ii) in reliance on Regulation S under the Securities Act *("Regulation S").* After such initial offers, Initial Notes that are Transfer Restricted Notes may be transferred to QIBs, in reliance on Rule 144A, outside the United States pursuant to Regulation S or to the Issuer, in accordance with Section 2.16. Initial Notes that are offered in reliance on Rule 144A shall be issued in the form of one or more permanent Global Notes substantially in the form set forth in Exhibit

A (the *"QIB Global Note")* deposited with the Trustee, as Note Custodian, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. Initial Notes that are offered in offshore transactions in reliance on Regulation S shall initially be issued in the form of one or more Global Notes substantially in the form set forth in Exhibit A (the *"Regulation S Global Note")* deposited with the Trustee, as Note Custodian, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The QIB Global Note and the Regulation S Global Note shall each be issued with separate CUSIP numbers. The aggregate principal amount of each Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee, as Note Custodian. Transfers of Notes between QIBs and to or by purchasers pursuant to Regulation S shall be represented by appropriate increases and decreases to the respective amounts of the appropriate Global Notes, as more fully provided in Section 2.16.

(c) Section 2.1(b) shall apply only to Global Notes deposited with or on behalf of the Depositary.

The Issuer shall execute and the Trustee shall, upon receipt of the Company Order, in accordance with Section 2.1(b) and Section 2.2, authenticate and deliver the Global Notes that (i) shall be registered in the name of the Depositary or the nominee of the Depositary and (ii) shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instructions or held by the Trustee as custodian for the Depositary.

The Trustee shall have no responsibility or obligation to any Holder, any member of (or a Participant in) DTC or any other Person with respect to the accuracy of the records of DTC (or its nominee) or of any Participant or member thereof, with respect to any ownership interest in the Notes or with respect to the delivery of any notice (including any notice of redemption) or the payment of any amount or delivery of any Notes (or other security or property) under or with respect to the Notes. The Trustee may rely (and shall be fully protected in relying) upon information furnished by DTC with respect to its members, Participants and any Beneficial Owners in the Notes.

(d) Notes issued in certificated form, including Global Notes, shall be substantially in the form of Exhibit A attached hereto.

(e) Each Note issued hereunder that has more than a de minimis amount of original issue discount for U.S. federal income tax purposes shall bear the OID Legend in substantially the form set forth in Exhibit A.

SECTION 2.2 Execution and Authentication.

One Officer of the Issuer shall sign the Notes by manual, facsimile or electronically transmitted signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of an authorized signatory of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon receipt of a written order of the Issuer signed by one Officer of the Issuer directing the Trustee to authenticate and deliver the Notes and certifying that all conditions precedent to the issuance of the Notes contained herein have been complied with (a *"Company Order")*, authenticate Notes for original issue up to the aggregate principal amount stated in paragraph 4 of the reverse of the Notes. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.17 hereof.

The Trustee may appoint an authenticating agent reasonably acceptable to the Issuer to authenticate Notes. Unless limited by the terms of such appointment, an authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or the Issuer or an Affiliate of the Issuer.

SECTION 2.3 Registrar; Paying Agent.

The Issuer shall maintain (i) an office or agency where Notes may be presented for registration of transfer or for exchange *("Registrar")* and (ii) an office or agency where Notes may be presented for payment to a Paying Agent. The Registrar shall keep a register of the Notes (the *"Note Register")* and of their transfer and exchange. The Issuer may appoint one or more co-registrars and one or more additional paying agents; *provided, however*, that at all times there shall be only one Note Register. The term "Registrar" includes any co-registrar and the term *"Paying Agent"* includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer shall notify the Trustee in writing of the name and address of any Paying Agent not a party to this Indenture. If the Issuer fails to appoint or mention another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuer or any of its Affiliates may act as Paying Agent or Registrar.

The Issuer shall notify the Trustee and the Holders of the name and address of any Paying Agent not a party to this Indenture. The Issuer shall enter into an appropriate agency agreement with any Agent not a party to this Indenture, which shall incorporate the provisions of Section 317(b) of the TIA. The agreement shall implement the provisions of this Indenture that relate to such Agent.

The Issuer initially appoints the Trustee to act as the Registrar and Paying Agent and initially appoints the Corporate Trust Office of

the Trustee as the office or agency of the Issuer for such purposes; *provided, however,* no legal service of process may be made at an office of the Trustee.

The Issuer initially appoints DTC to act as the Depositary with respect to the Global Notes.

SECTION 2.4 Paying Agent To Hold Money in Trust.

The Issuer shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, or interest on the Notes, and shall notify the Trustee in writing of any Default by the Issuer in making any such payment. While any such Default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent shall have no further liability for the money. If the Issuer or an Affiliate of the Issuer acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon the occurrence of events specified in Section 6.1(8) hereof, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.5 Holder Lists.

The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA § 312(a). If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least seven (7) Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders, including the aggregate principal amount of the Notes held by each Holder thereof, and the Issuer shall otherwise comply with TIA § 312(a).

SECTION 2.6 Book-Entry Provisions for Global Securities.

(a) Each Global Note shall (i) be registered in the name of the Depositary for such Global Notes or the nominee of such Depositary, (ii) be delivered to the Trustee as custodian for such Depositary and (iii) bear legends as required by Section 2.6(e).

Members of, or Participants in, the Depositary *("Agent Members")* shall have no rights under this Indenture with respect to any Global Note held on their behalf by the Depositary, or the Trustee as its custodian, or under the Global Note, and the Depositary may be treated by the Issuer, the Trustee and any agent of the Issuer or the Trustee as the absolute owner of such Global Note for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Issuer, the Trustee or any agent of the Issuer or the Trustee, from giving effect to any written certification, proxy or other authorization furnished by the Depositary or impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a Holder of any Note.

(b) Transfers of a Global Note shall be limited to transfers of such Global Note in whole, but not in part, to the Depositary, its successors or their respective nominees. Interests of Beneficial Owners in a Global Note may be transferred in accordance with Section 2.16 and the rules and procedures of the Depositary. In addition, Certificated Notes shall be transferred to all Beneficial Owners in exchange for their beneficial interests if (i) the Depositary notifies the Issuer that it is unwilling or unable to continue as Depositary for the Global Notes or the Depositary ceases to be a "clearing agency" registered under the Exchange Act and a successor depositary is not appointed by the Issuer within one hundred and twenty (120) days of such notice or (ii) an Event of Default of which a Responsible Officer of the Trustee has actual notice has occurred and is continuing and the Registrar has received a request from the Depositary to issue such Certificated Notes.

(c) In connection with the transfer of the entire Global Note to Beneficial Owners pursuant to clause (b) of this Section, such Global Note shall be deemed to be surrendered to the Trustee for cancellation, and the Issuer shall execute, and the Trustee shall upon receipt of the Company Order authenticate and deliver, to each Beneficial Owner identified by the Depositary in exchange for its beneficial interest in such Global Note an equal aggregate principal amount of Certificated Notes of authorized denominations.

(d) The registered holder of a Global Note may grant proxies and otherwise authorize any Person, including Agent Members and Persons that may hold an interest through Agent Members, to take any action which a Holder is entitled to take under this Indenture or the Notes.

(e) Each Global Note shall bear the Global Note Legend on the face thereof.

(f) At such time as all beneficial interests in Global Notes have been exchanged for Certificated Notes, redeemed, repurchased or cancelled, all Global Notes shall be returned to or retained and cancelled by the Trustee in accordance with Section 2.11 hereof At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for Certificated Notes, redeemed, repurchased or cancelled, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note, by the Trustee or the Note Custodian, at the direction of the Trustee, to reflect such reduction.

(g) General provisions relating to transfers and exchanges:

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Certificated Notes at the Registrar's request.

(ii) No service charge shall be made to a Holder for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any stamp or transfer tax or similar governmental charge payable in connection therewith (other than any such stamp or transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.2, 2.10, 3.6, 4.10, 4.14 and 9.5 hereto).

(iii) All Global Notes and Certificated Notes issued upon any registration of transfer or exchange of Global Notes or Certificated Notes shall, upon execution by the Issuer and authentication by the Trustee in accordance with the provisions hereof, be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Certificated Notes surrendered upon such registration of transfer or exchange.

(iv) The Registrar shall not be required (A) to issue, to register the transfer of or to exchange Notes during a period beginning at the opening of fifteen (15) days before the day of any selection of Notes for redemption under Section 3.2 hereof and ending at the close of business on the day of selection, (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part, or (C) to register the transfer of or to exchange a Note between a record date and the next succeeding interest payment date.

(v) Prior to due presentment for the registration of a transfer of any Note, the Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and neither the Trustee, any Agent nor the Issuer shall be affected by notice to the contrary.

(vi) The Trustee shall authenticate Global Notes and Certificated Notes in accordance with the provisions of Section 2.2 hereof. Except as provided in Section 2.6(b), neither the Trustee nor the Registrar shall authenticate or deliver any Certificated Note in exchange for a Global Note.

(vii) Each Holder agrees to provide indemnity to the Issuer and the Trustee satisfactory to the Issuer and the Trustee against any liability that may result from the transfer, exchange or assignment of such Holder's Note in violation of any provision of this Indenture and/or applicable United States federal or state securities law.

(viii) The Trustee (whether as Trustee, Registrar or Paying Agent) shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Agent Members or Beneficial Owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof

SECTION 2.7 Replacement Notes.

If any mutilated Note is surrendered to the Trustee, or the Issuer and the Trustee receive evidence to their satisfaction of the destruction, loss or theft of any Note, the Issuer shall issue and the Trustee, upon receipt of the Company Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Issuer, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of (i) the Trustee to protect the Trustee and (ii) the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent, from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge a Holder for their expenses in replacing a Note.

Every replacement Note is an additional obligation of the Issuer and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

SECTION 2.8 Outstanding Notes.

The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those cancelled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.8 as not outstanding. Except as set forth in Section 2.9 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note.

If a Note is replaced pursuant to Section 2.7 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.1 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.9 Treasury Notes.

In determining whether the Holders of the required aggregate principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company or by any Affiliate of the Issuer shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes shown on the Note Register as being owned shall be so disregarded. Notwithstanding the foregoing, Notes that are to be acquired by the Company or an Affiliate of the Company pursuant to an exchange offer, tender offer or other agreement shall not be deemed to be owned by such entity until legal title to such Notes passes to such entity.

SECTION 2.10 Temporary Notes.

Until permanent Global Notes are ready for delivery, the Issuer may prepare and the Trustee shall, upon receipt of the Company Order, authenticate temporary Global Notes. Temporary Notes shall be substantially in the form of permanent Global Notes but may have variations that the Issuer consider appropriate for temporary Notes. Without unreasonable delay, the Issuer shall prepare and the Trustee shall, upon receipt of the Company Order, authenticate permanent Global Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

SECTION 2.11 Cancellation.

The Issuer at any time may deliver to the Trustee for cancellation any Notes previously authenticated and delivered hereunder or which the Company may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Trustee. All Notes surrendered for registration of transfer, exchange or payment, if surrendered to any Person other than the Trustee, shall be delivered to the Trustee. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation. Subject to Section 2.7 hereof, the Issuer may not issue new Notes to replace Notes that they have redeemed or paid or that have been delivered to the Trustee for cancellation. All cancelled Notes held by the Trustee shall be cancelled in accordance with its customary practice, and, upon request, certification of their cancellation delivered to the Issuer.

SECTION 2.12 Defaulted Interest.

If the Issuer defaults in a payment of interest on the Notes, the Issuer shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, which date shall be at the earliest practicable date but in all events at least five (5) Business Days prior to the payment date, in each case at the rate provided in the Notes and in Section 4.1 hereof The Issuer shall fix or cause to be fixed each such special record date and payment date and shall promptly thereafter notify the Trustee in writing of any such date. At least fifteen (15) days before the special record date, the Issuer (or the Trustee, in the name and at the expense of the Issuer) shall mail or cause to be mailed (or in the case of Notes held in book-entry form, shall deliver or cause to be deliver by electronic submission) to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

SECTION 2.13 Record Date.

The record date for purposes of determining the identity of Holders entitled to vote or consent to any action by vote or consent authorized or permitted under this Indenture shall be determined as provided for in TIA § 316 (c).

SECTION 2.14 Computation of Interest.

Interest on the Notes shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

SECTION 2.15 CUSIP Number.

The Issuer in issuing the Notes may use a “CUSIP” and/or ISIN or other similar number, and if the Issuer do so, the Issuer may use the CUSIP and/or ISIN or other similar number in notices of redemption or exchange as a convenience to Holders; *provided* that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP and/or ISIN or other similar number printed in the notice or on the Notes and that reliance may be placed only on the other identification numbers printed on the Notes. The Issuer shall promptly notify the Trustee in writing of any change in the CUSIP and/or ISIN or other similar number.

SECTION 2.16 Special Transfer Provisions.

Unless and until a Transfer Restricted Note is transferred or exchanged pursuant to an exemption under the Securities Act or under an effective registration statement under the Securities Act, the following provisions shall apply:

(a) Transfers to QIBs. The following provisions shall apply with respect to the registration of any proposed transfer of a Transfer Restricted Note (other than pursuant to Regulation S):

(i) The Registrar shall register the transfer of a Transfer Restricted Note by a Holder to a QIB if such transfer is being made by a proposed transferor who has provided the Registrar with (a) an appropriately completed certificate of transfer in the form attached to the Note and (b) a letter substantially in the form set forth in Exhibit C hereto.

(ii) If the proposed transferee is an Agent Member and the Transfer Restricted Note to be transferred consists of an interest in the Regulation S Global Note, upon receipt by the Registrar of (x) the items required by paragraph (i) above and (y) instructions given in accordance with the Depositary's and the Registrar's procedures therefor, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the QIB Global Note in an amount equal to the principal amount of the beneficial interest in the Regulation S Global Note to be so transferred, and the Registrar shall reflect on its books and records the date and an appropriate decrease in the principal amount of such Regulation S Global Note.

(b) Transfers Pursuant to Regulation S. The Registrar shall register the transfer of any Regulation S Global Note without requiring any additional certification. The following provisions shall apply with respect to registration of any proposed transfer of a Transfer Restricted Note pursuant to Regulation S:

(i) The Registrar shall register any proposed transfer of a Transfer Restricted Note pursuant to Regulation S by a Holder upon receipt of (a) an appropriately completed certificate of transfer in the form attached to the Note and (b) a letter substantially in the form set forth in Exhibit D hereto from the proposed transferor.

(ii) If the proposed transferee is an Agent Member holding a beneficial interest in a QIB Global Note and the Transfer Restricted Note to be transferred consists of an interest in a QIB Global Note, upon receipt by the Registrar of (x) the letter, if any, required by paragraph (i) above and (y) instructions in accordance with the Depositary's and the Registrar's procedures therefor, the Registrar shall reflect on its books and records the date and an increase in the principal amount of the Regulation S Global Note in an amount equal to the principal amount of the beneficial interest in the QIB Global Note to be transferred, and the Registrar shall reflect on its books and records the date and an appropriate decrease in the principal amount of the QIB Global Note.

(c) Transfer Restricted Notes. Concurrently with the issuance of such Global Notes, the Registrar shall cause the aggregate principal amount of the applicable Transfer Restricted Notes to be reduced accordingly, and the Registrar shall deliver to the Persons designated by the Holders of Transfer Restricted Notes so accepted Global Notes not bearing the Restricted Notes Legend in the appropriate principal amount.

(d) Restricted Notes Legend. Upon the transfer, exchange or replacement of Notes not bearing the Restricted Notes Legend, the Registrar shall deliver Notes that do not bear the Restricted Notes Legend. Upon the transfer, exchange or replacement of Notes bearing the Restricted Notes Legend, the Registrar shall deliver only Notes that bear the Restricted Notes Legend unless there is delivered to the Registrar an Opinion of Counsel reasonably satisfactory to the Issuer and the Trustee to the effect that neither such legend nor the related restrictions on transfer are required in order to maintain compliance with the provisions of the Securities Act. Upon request by any Holder, the Issuer shall cooperate to have the Restricted Notes Legend removed if the Issuer has determined such legend is no longer required.

(e) General. By its acceptance of any Note bearing the Restricted Notes Legend, each Holder of such a Note acknowledges the restrictions on transfer of such Note set forth in this Indenture and in the Restricted Notes Legend and agrees that it shall transfer such Note only as provided in this Indenture.

The Registrar shall retain copies of all letters, notices and other written communications received pursuant to this Section 2.16.

SECTION 2.17 Issuance of Additional Notes.

The Issuer shall be entitled to issue Additional Notes under this Indenture that shall have identical terms as the Initial Notes other than with respect to the date of issuance, issue price, amount of interest payable on the first interest payment date applicable thereto and any customary escrow provisions; *provided* that such issuance is not otherwise prohibited by the terms of this Indenture, including Section 4.9. The Initial Notes and any Additional Notes shall be treated as a single class for all purposes under this Indenture.

With respect to any Additional Notes, the Issuer shall set forth in a resolution of its Board of Directors and in an Officers' Certificate, a copy of each of which shall be delivered to the Trustee, the following information:

(1) the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture;

(2) the issue price, the Issue Date, the CUSIP number of such Additional Notes, the first interest payment date and the amount of interest payable on such first interest payment date applicable thereto and the date from which interest shall accrue; and

(3) whether such Additional Notes shall be Transfer Restricted Notes.

ARTICLE III

REDEMPTION AND PREPAYMENT

SECTION 3.1 Notices to Trustee.

If the Issuer elects to redeem Notes pursuant to the optional redemption provisions of Section 3.7 hereof, the Issuer shall furnish to the Trustee, subject to the last paragraph of Section 3.3, at least thirty (30) days (or such shorter period as is acceptable to the Trustee) and not more than sixty (60) days before a date fixed for redemption (the *"redemption date"),* an Officers' Certificate setting forth (i) the section of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

SECTION 3.2 Selection of Notes To Be Redeemed.

If less than all of the Notes are to be redeemed at any time, the Trustee shall select the Notes to be redeemed among the Holders in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed (so long as the Trustee knows of such listing) or, if the Notes are not so listed, on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate and in the case of notes held in book entry form, in accordance with DTC's applicable procedures (and in a manner that complies with applicable legal requirements); *provided* that no Notes of $2,000 or less shall be redeemed in part. On and after the redemption date, interest shall cease to accrue on Notes or portions of them called for redemption. The Trustee shall make the selection from the Notes outstanding and not previously called for redemption and shall promptly notify the Issuer in writing of the Notes selected for redemption. The Trustee may select for redemption portions (equal to $1,000 or any integral multiple thereof) of the principal of the Notes that have denominations larger than $2,000.

SECTION 3.3 Notice of Redemption.

Subject to the provisions of Section 3.9, at least 30 days but not more than 60 days before a redemption date, the Issuer shall mail or cause to be mailed by first class mail (or in the case of Notes held in book-entry form, deliver or cause to be delivered by electronic submission), a notice of redemption to each Holder whose Notes are to be redeemed.

The notice shall identify the Notes to be redeemed and shall state:

(1) the redemption date;

(2) the redemption price;

(3) if any Note is being redeemed in part, the portion of the principal amount of such Notes to be redeemed and that, after the redemption date, upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(4) the name, telephone number and address of the Paying Agent;

(5) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(6) that, unless the Issuer defaults in making such redemption payment, interest, if any, on Notes called for redemption ceases to accrue on and after the redemption date;

(7) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(8) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Issuer's written request, the Trustee shall give the notice of redemption in the Issuer's name and at the Issuer's expense; *provided*, *however*, that the Issuer shall have delivered to the Trustee at least 45 days prior to the redemption date (or such shorter period as is acceptable to the Trustee), an Officers' Certificate requesting that the Trustee give such notice and a copy of the notice to the Holders setting forth the information to be stated in the notices as provided in the preceding paragraph. The notice mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not a Holder receives such notice. In any case, failure to give such notice by mail or electronic submission or any defect in the notice to the Holder of any Note shall not affect the validity of the proceeding for the redemption of any other Note.

SECTION 3.4 Effect of Notice of Redemption.

Once notice of redemption is delivered in accordance with Section 3.3 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price plus accrued and unpaid interest, if any, to such date.

SECTION 3.5 Deposit of Redemption of Purchase Price.

On or before 11:00 a.m. (New York City time) on each redemption date or the date on which Notes must be accepted for purchase pursuant to Section 4.10 or 4.14, the Issuer shall deposit with the Trustee or with the Paying Agent (or, if the Issuer or an Affiliate is acting as a Paying Agent, shall segregate and hold in trust as provided in Section 2.4 hereof) money sufficient to pay the redemption price of and accrued and unpaid interest, if any, on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent shall promptly

return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption price of (including any Applicable Premium), and accrued interest, if any, on, all Notes to be redeemed or purchased.

SECTION 3.6 Notes Redeemed in Part.

Upon surrender of a Note that is redeemed in part, the Issuer shall issue and, upon receipt of the Company Order, the Trustee shall authenticate for the Holder at the expense of the Issuer a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

SECTION 3.7 Optional Redemption.

(a) The Notes may be redeemed, in whole or in part, at any time prior to March 15, 2018, at the option of the Issuer at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(b) In addition, the Notes are subject to redemption, at the option of the Issuer, in whole or in part, at any time on or after March 15, 2018, at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant regular record date to receive interest due on an interest payment date), if redeemed during the 12-month period beginning on:

Year	Redemption Price
March 15, 2018	104.875%
March 15, 2019	103.250%
March 15, 2020	101.625%
March 15, 2021 and thereafter	100.000%

(c) At any time prior to March 15 2018, the Issuer may,

(i) with the net proceeds of one or more Qualified Equity Offerings, redeem up to 35% of the aggregate principal amount of the outstanding Notes (including Additional Notes) at a redemption price equal to 106.500% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date; *provided* that at least 65% of the principal amount of Notes then outstanding (including Additional Notes) remains outstanding immediately after the occurrence of any such redemption and that any such notice of redemption occurs within 90 days following the closing of any such Qualified Equity Offering; and

(ii) redeem up to 10% of the aggregate principal amount of the Notes (including Additional Notes) that have been issued hereunder during each twelve-month period commencing with the Issue Date (with unused amounts from the first twelve-month period being permitted to be carried over to the next succeeding twelve-month period) at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date.

(d) Any redemption may, at the Issuer's option, be subject to one or more conditions precedent. Notice of any redemption upon any Qualified Equity Offering may be given prior to the completion thereof.

(e) The Issuer or its Affiliates may at any time and from time to time purchase Notes. Any such purchases may be made through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices as well as with such consideration as the Issuer or any Affiliate may determine.

SECTION 3.8 Mandatory Redemption.

Except as set forth under Sections 3.10, 4.10 and 4.14 hereof, the Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

SECTION 3.9 Offer To Purchase.

In the event that the Issuer shall be required to commence an Offer to Purchase, an Asset Sale Offer, Change of Control Offer or a Qualified Equity Offering, the Issuer shall follow the procedures specified below.

Unless otherwise required by applicable law, an Offer to Purchase shall specify an Expiration Date of the Offer to Purchase, which shall be, subject to any contrary requirements of applicable law, not less than 30 days or more than 60 days after the date of delivering of such Offer, and the Purchase Date for purchase of Notes within five Business Days after the Expiration Date. On the Purchase Date, the Issuer shall purchase the aggregate principal amount of Notes required to be purchased pursuant to Section 4.10 or Section 4.14 (the *"Offer*

Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Offer to Purchase. If the Purchase Date is on or after the interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest, if any, shall be payable to the Holders who tender Notes pursuant to the Offer to Purchase. The Issuer shall notify the Trustee in writing at least 5 days (or such shorter period as is acceptable to the Trustee) prior to the delivering of the Offer of the Issuer's obligation to make an Offer to Purchase, and the Offer shall be mailed (or in the case of Notes held in book entry form, by electronic submission) by the Issuer or, at the Issuer's request and expense, by the Trustee in the name and at the expense of the Issuer. The Offer shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

On or before 11:00 a.m. (New York City time) on each Purchase Date, the Issuer shall irrevocably deposit with the Trustee or Paying Agent (other than the Issuer or an Affiliate of the Issuer) in immediately available funds the aggregate purchase price equal to the Offer Amount, together with accrued and unpaid interest, if any, thereon, to be held for payment in accordance with the terms of this Section 3.9. On the Purchase Date, the Issuer shall, to the extent lawful, (i) accept for payment on a pro rata basis to the extent necessary in the case of an Asset Sale Offer, Change of Control Offer or Qualified Equity Offering, the Offer Amount of Notes or portions thereof tendered pursuant to the Offer to Purchase, or if less than the Offer Amount has been tendered, all Notes tendered, (ii) deliver or cause the Paying Agent or Depositary, as the case may be, to deliver to the Trustee Notes so accepted and (iii) deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Issuer in accordance with the terms of this Section 3.9. The Issuer, the Depositary or the Paying Agent, as the case may be, shall promptly (but in any case not later than five (5) days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Issuer for purchase, plus any accrued and unpaid interest, if any, thereon, and the Issuer shall promptly issue a new Note, and the Trustee, upon receipt of the Company Order, shall authenticate and mail or deliver at the expense of the Issuer such new Note to such Holder, equal in principal amount to any unpurchased portion of such Holder's Notes surrendered. Any Note not so accepted shall be promptly mailed or delivered by or on behalf of the Issuer to the Holder thereof.

SECTION 3.10 [Reserved.]

ARTICLE IV

COVENANTS

SECTION 4.1 Payment of Notes.

The Issuer shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid for all purposes hereunder on the date the Paying Agent holds (or, if the Issuer or an Affiliate is the Paying Agent, segregates in accordance with Section 2.4 hereof), as of 11:00 a.m. (New York City time), money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all such principal, premium, if any, and interest then due.

SECTION 4.2 Maintenance of Office or Agency.

The Issuer shall maintain an office or agency (which may be an office of the Trustee or an Affiliate of the Trustee or Registrar) where Notes may be surrendered for registration of transfer or for exchange and where notices and demands to or upon the Issuer in respect of the Notes and this Indenture may be served. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. The Issuer hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.3 hereof. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee and the Issuer hereby appoints the Trustee its agent to receive all such presentations, surrenders, notices and demands; *provided, however* no legal service of process may be made at an office of the Trustee.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.3 hereof.

SECTION 4.3 Provision of Financial Information.

So long as any Notes are outstanding, the Company will provide to the Trustee and, upon request, to Holders of Notes a copy of all of the information and reports referred to below:

(1) within 90 days after the end of each fiscal year (or such longer period as may be permitted by the Commission if the Company was then subject to such Commission reporting requirements as a non-accelerated filer, including any extensions permitted under Rule 12b-25 of the Exchange Act), annual audited consolidated financial statements of the Company for such fiscal year including a "Management's discussion and analysis of financial condition and results of operations" with respect to the periods presented and a report on the annual financial statements by the Company's independent registered public accounting firm (all of the

foregoing financial information to be prepared on a basis substantially consistent with the corresponding financial information included in the Offering Memorandum); and

(2) within 45 days after the end of each of the first three fiscal quarters of each fiscal year (or such longer period as may be permitted by the Commission if the Company was then subject to such Commission reporting requirements as a non-accelerated filer, including any extensions permitted under Rule 12b-25 of the Exchange Act), unaudited quarterly consolidated financial statements of the Company (including a balance sheet, statement of operations and statement of cash flows) for the interim period as of, and for the period ending on, the end of such fiscal quarter including a "Management's discussion and analysis of financial condition and results of operations" (all of the foregoing financial information to be prepared on a basis substantially consistent with the corresponding financial information included in the Offering Memorandum), subject to normal year-end adjustments and the absence of footnotes;

provided, *however*, that in addition to providing such information to the Trustee, make available to the Holders, prospective investors, market makers affiliated with any Initial Purchaser and securities analysts such information by posting to their website or on IntraLinks or any comparable password-protected online data system, in each case, within 15 days after the time the Company would be required to file such information with the Commission if it were subject to Section 13 or 15(d) of the Exchange Act.

Notwithstanding the foregoing, (a) the Issuer will not be required to furnish any information, certificates or reports required by (i) Section 302 or Section 404 of the Sarbanes-Oxley Act of 2002, or related Items 307 or 308 of Regulation S-K, (ii) Regulation G or Item 10(e) of Regulation S-K promulgated by the Commission with respect to any non-generally accepted accounting principles financial measures contained therein or (iii) Rule 3-09 of Regulation S-X; (b) such reports will not be required to contain the separate financial information for Subsidiaries whose securities are pledged to secure the Notes contemplated by Rule 3-10 or Rule 3-16 of Regulation S-X; and (c) such reports shall not be required to present compensation or beneficial ownership information.

The Issuer will be deemed to have furnished such reports referred to above to the Trustee and the Holders if the Issuer or any direct or indirect parent of the Issuer has filed such reports with the Commission via the EDGAR (or successor) filing system and such reports are publicly available.

For so long as the Issuer has designated certain of its Subsidiaries as Unrestricted Subsidiaries, then the quarterly and annual financial information required to be provided by this Section 4.3 will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in the "Management's discussion and analysis of financial condition and results of operation" or other comparable section, of the financial condition and results of operations of the Issuer and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Issuer; *provided* that the requirements of this paragraph shall not apply if the Total Assets of all the Unrestricted Subsidiaries are below $20.0 million.

In addition, to the extent not satisfied by the foregoing, the Issuer will agree that, for so long as any Notes are outstanding, it will furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act (or any successor provision).

In addition, notwithstanding the foregoing, the financial statements, information and other information and other documents required to be provided as described above, may be those of (i) the Issuer or (ii) any direct or indirect parent of the Issuer, so long as in the case of clause (ii) such direct or indirect parent of the Issuer shall not conduct, transact or otherwise engage, or commit to conduct, transact or otherwise engage, in any business or operations or hold any material assets other than its direct or indirect ownership of all of the Capital Interests in, and its management of the Company or any direct or indirect parent of the Company; *provided* that, if the financial information so furnished relates to such direct or indirect parent of the Issuer, the same is accompanied by a reasonably detailed description of the quantitative differences between the information relating to such parent, on the one hand, and the information relating to the Issuer and its Restricted Subsidiaries on a standalone basis, on the other hand.

So long as Notes are outstanding, the Issuer will also:

(a) within 15 Business Days after furnishing to the Trustee the annual and quarterly reports required by clauses (1) and (2) of the first paragraph of this Section 4.3, hold a conference call to discuss such reports and the results of operations for the relevant reporting period, which conference call will be available for replay on the website or online data system referenced in clause (b) of this paragraph for seven days following such conference call; and

(b) post to its website or on IntraLinks or any comparable password-protected online data system, which will require a confidentiality acknowledgment, prior to the date of the conference call required to be held in accordance with clause (a) of this paragraph, announcing the time and date of such conference call and either including all information necessary to access the call or informing Holders, prospective investors, market makers affiliated with any Initial Purchaser and securities analysts how they can obtain such information, including, without limitation, the applicable password or other login information.

Any Person who requests or accesses such financial information or seeks to participate in any conference calls required by this Section 4.3 will be required to represent to the Issuer (to the Issuer's reasonable good faith satisfaction) that:

(1) it is a Holder, a Beneficial Owner of the Notes, a prospective investor in the Notes or a market maker or securities analyst;

(2) it will not use the information in violation of applicable securities laws or regulations;

(3) it will keep such information provided confidential and will not communicate the information to any Person; and

(4) it is not a Person (which includes such Person's Affiliates) that (i) is principally engaged in Permitted Business, (ii) derives a significant portion of its revenues from operation of a Permitted Business or (iii) is a customer of the Company or any of its Subsidiaries.

Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Issuer's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 4.4 Compliance Certificate.

The Issuer shall deliver to the Trustee, within 120 days after the end of each fiscal year, commencing with the fiscal year ending December 29, 2012, an Officers' Certificate (which need not include the language required by Section 13.4) stating that a review of the activities of the Issuer and its Restricted Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether each has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to the Officer signing such certificate, that, to his or her knowledge, each entity is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Issuer is taking or proposes to take with respect thereto) and that, to his or her knowledge, no event has occurred and remains in existence by reason of which payments on account of the principal of, premium, if any, or interest on the Notes is prohibited or if such event has occurred, a description of the event and what action the Issuer is taking or proposes to take with respect thereto. The Issuer shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith upon becoming aware of any Default or Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Issuer is taking or proposes to take with respect thereto.

SECTION 4.5 [Reserved].

SECTION 4.6 Stay, Extension and Usury Laws.

The Issuer covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.7 Limitation on Restricted Payments.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any Restricted Payment unless, at the time of and after giving effect to the proposed Restricted Payment:

(a) no Event of Default shall have occurred and be continuing or will occur as a consequence thereof;

(b) on a pro forma basis the Company would be permitted to Incur at least $1.00 of additional Debt pursuant to the provisions described in the first paragraph under Section 4.9; and

(c) immediately after giving effect to such transaction on a pro forma basis, the aggregate amount expended or declared for all Restricted Payments made on or after the Issue Date (excluding Restricted Payments permitted by the next succeeding paragraph other than clauses (i), (x), (xiv) and (xv)) shall not exceed the sum (without duplication) of:

(1) 50% of the Consolidated Net Income (or, if Consolidated Net Income shall be a deficit, minus 100% of such deficit) of the Company accrued on a cumulative basis during the period (taken as one accounting period) from and including January 4, 2015, and ending on the last day of the fiscal quarter for which consolidated financial statements are internally available immediately preceding the date of such proposed Restricted Payment, *plus*

(2) 100% of the aggregate net proceeds (including the Fair Market Value of property other than cash) received by the Company subsequent to the initial issuance of the Notes either (i) as a contribution to its common equity capital or (ii) from the issuance and sale (other than to a Restricted Subsidiary) of its Qualified Capital Interests, including Qualified Capital Interests issued upon the conversion of Debt or Redeemable Capital Interests of the Company, and from the exercise of options, warrants or other rights to purchase such Qualified Capital Interests (other than, in each case, Capital Interests or Debt sold to a Subsidiary of the Company), *plus*

(3) 100% of the net reduction in Investments (other than Permitted Investments), subsequent to the date of the

initial issuance of the Notes, in any Person, resulting from (x) payments of interest on Debt, dividends, distributions or cash repayments of Investments or other transfers of assets or repayments of loans or advances (but only to the extent such interest, dividends or repayments were made in cash or represents the Fair Market Value of assets received and are not included in the calculation of Consolidated Net Income), in each case to the Issuer or any Restricted Subsidiary from any Person (including, without limitation, an Unrestricted Subsidiary) or (y) from the net proceeds from the sale of any such Investment or the redesignation of any Unrestricted Subsidiary as a Restricted Subsidiary or its merger or consolidation with the Company or a Restricted Subsidiary (or the sale of the Capital Interests of an Unrestricted Subsidiary), in each case not to exceed in the case of any Person the amount of Investments (other than Permitted Investments) previously made by the Company or any Restricted Subsidiary in such Person.

Notwithstanding the foregoing provisions, the Company and its Restricted Subsidiaries may take the following actions, *provided* that, in the case of clauses (iv), (viii), (x), (xiv) or (xv) immediately after giving effect to such action, no Event of Default has occurred and is continuing:

(i) the payment of any dividend or other distribution on Capital Interests in the Company or a Restricted Subsidiary or the consummation of any irrevocable redemption within 60 days after declaration or giving notice thereof if at the declaration date such payment would not have been prohibited by the foregoing provisions of this Section 4.7;

(ii) the repurchase, retirement or other acquisition of any Qualified Capital Interests of either the Company or any direct or indirect parent of the Company by conversion into, or by or in exchange for, Qualified Capital Interests, or out of net cash proceeds of the substantially concurrent sale (other than to a Subsidiary of the Company) of other Qualified Capital Interests of the Company or any direct or indirect parent of the Company or contributions to the equity capital of the Company;

(iii) the redemption, defeasance, repurchase or acquisition or retirement for value of any Debt of the Company or a Guarantor that is subordinate in right of payment to the Notes or the applicable Note Guarantee by exchange for, or out of the net cash proceeds received from the Company of a substantially concurrent issue and sale (other than to a Subsidiary of the Company) of (x) new subordinated Debt of the Company or a Guarantor, as the case may be, Incurred in accordance with this Indenture or (y) of Qualified Capital Interests of the Company or any direct or indirect parent of the Company;

(iv) (A) the purchase, retirement, redemption or other acquisition (or dividends to the Company or any direct or indirect parent of the Company to finance any such purchase, retirement, redemption or other acquisition) for value of Capital Interests of the Company or any direct or indirect parent of the Company held by any future, present or former employee, director or consultant of the Issuer or any direct or indirect parent of the Issuer or any Subsidiary of the Issuer (or their permitted transferees) pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; (B) the payment of any Restricted Payment, if applicable, in amounts required for any direct or indirect parent of the Company to pay fees and expenses (including franchise or similar taxes) required to maintain its corporate existence, customary salary, bonus and other benefits payable to, and indemnity provided on behalf of, officers and employees of any direct or indirect parent of the Company, and general corporate overhead expenses of any direct or indirect parent of the Company, in each case to the extent such fees, expenses, salaries, bonuses, benefits and indemnities are attributable to the ownership or operation of the Company and its Subsidiaries; (C) in amounts required for any direct or indirect parent of the Company to pay interest or principal on Debt the proceeds of which have been contributed to the Company or any of its Restricted Subsidiaries and that has been guaranteed by, or is otherwise considered Debt of, the Company Incurred in accordance with Section 4.9; *provided, however,* that any such contribution will not increase the amount available for Restricted Payments under the immediately preceding paragraph or be used to make a Restricted Payment pursuant to this paragraph of this covenant (other than payments permitted by this clause (iv)); *provided, further, however,* any such dividends, other distributions or other amounts used to pay interest are treated as interest payments of the Company for purposes of the Indenture or (D) in amounts required for any direct or indirect parent of the Company to pay fees and expenses, other than to Affiliates of the Company, related to any unsuccessful equity or debt offering of such parent; *provided, however,* that the aggregate amounts paid under this clause (iv) shall not exceed $10 0 million in any calendar year (with unused amounts in any calendar year being permitted to be carried over for the next two succeeding calendar years); *provided, further, however,* that such amount in any calendar year may be increased by an amount not to exceed:

(a) the cash proceeds received by the Company from the sale of Capital Interests of the Company or any direct or indirect parent of the Company (to the extent contributed to the Company), in each case, to members of management, directors or consultants of the Company and its Restricted Subsidiaries or the Company or any direct or indirect parent of the Company that occurs after the Issue Date; *provided* that the amount of such cash proceeds utilized for any such repurchase, retirement, other acquisition or dividend will not increase the amount available for Restricted Payments under clause (c) of the immediately preceding paragraph; *plus*

(b) the cash proceeds of key man life insurance policies received by the Company or any direct or indirect parent of the Company (to the extent contributed to the Company) and its Restricted Subsidiaries after the Issue Date; *less*

(c) the amount of cash proceeds described in clause (a) or (b) of this clause (iv) previously used to make Restricted Payments pursuant to this clause (iv);

(provided that the Company may elect to apply all or any portion of the aggregate increase contemplated by clauses (a) and (b) above in any calendar year); in addition, cancellation of Debt owing to the Company or any Restricted Subsidiary from

any current or former officer, director or employee (or any permitted transferees thereof) of the Company or any of its Restricted Subsidiaries (or any direct or indirect parent company thereof), in connection with a repurchase of Capital Interests of the Company from such Persons will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provisions of this Indenture;

(v) repurchase of Capital Interests deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Capital Interests represent a portion of the exercise price and applicable withholding taxes of those stock options, warrants or other convertible or exchangeable securities;

(vi) the prepayment of intercompany Debt, the Incurrence of which was permitted pursuant to Section 4.9;

(vii) cash payment, in lieu of issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible into or exchangeable for the Capital Interests of the Company or a Restricted Subsidiary;

(viii) the declaration and payment of dividends to holders of any class or series of Redeemable Capital Interests of the Company or any Restricted Subsidiary issued or Incurred in compliance with Section 4.9 to the extent such dividends are included in the definition of "Consolidated Fixed Charges";

(ix) upon the occurrence of a Change of Control or an Asset Sale, the defeasance, redemption, repurchase or other acquisition of any subordinated Debt pursuant to provisions substantially similar to those contained in Section 4.10 and Section 4.14 at a purchase price not greater than 101% of the principal amount thereof (in the case of a Change of Control or in the case of subordinated Debt issued with significant original issue discount, 101% of the accreted value) or at a percentage of the principal amount thereof not higher than 100% of the principal amount thereof (in the case of an Asset Sale or in the case of subordinated Debt issued with significant original issue discount, 100% of the accreted value), plus any accrued and unpaid interest thereon; *provided* that prior to or contemporaneously with such defeasance, redemption, repurchase or other acquisition, the Issuer has made an Offer to Purchase with respect to the Notes and has repurchased all Notes validly tendered for payment and not withdrawn in connection therewith;

(x) other Restricted Payments not in excess of $25.0 million in the aggregate;

(xi) payments or distributions to satisfy dissenters' rights pursuant to or in connection with a consolidation, merger or transfer of assets that complies with the provisions of this Indenture applicable to mergers, consolidations and transfers of all or substantially all the property and assets of the Company;

(xii) Restricted Payments made in connection with the Transactions as described in the Offering Memorandum, including the special dividend to be paid to the Company's stockholders, and the payment of any fees, expenses and consideration in connection with any agreement related thereto;

(xiii) [Reserved];

(xiv) Restricted Payments not in excess of $50 0 million in the aggregate; provided that, immediately after giving pro forma effect thereto and the Incurrence of any Debt in connection therewith, the Consolidated Total Debt Ratio of the Company and its Restricted Subsidiaries would not be greater than 4.00 to 1.0; and

(xv) any Restricted Payment; provided that, immediately after giving pro forma effect thereto and the Incurrence of any Debt in connection therewith, the Consolidated Total Debt Ratio of the Company and its Restricted Subsidiaries would not be greater than 3.25 to 1.0.

For purposes of this Section 4.7, if any Investment or Restricted Payment would be permitted pursuant to one or more provisions described above and/or one or more of the exceptions contained in the definition of "Permitted Investments," the Company may classify and/or divide such Investment or Restricted Payment in any manner that complies with this Section 4.7 and may later reclassify and/or divide any such Investment or Restricted Payment so long as the Investment or Restricted Payment (as so reclassified) would be permitted to be made in reliance on the applicable exception as of the date of such reclassification.

If any Person in which an Investment is made, which Investment constitutes a Restricted Payment when made, thereafter becomes a Guarantor in accordance with this Indenture, all such Investments previously made in such Person shall no longer be counted as Restricted Payments for purposes of calculating the aggregate amount of Restricted Payments pursuant to clause (c) of the first paragraph of this Section 4.7 or clause (x) above, in each case to the extent such Investments would otherwise be so counted.

If the Company or a Restricted Subsidiary transfers, conveys, sells, leases or otherwise disposes of an Investment in accordance with Section 4.10, which Investment was originally included in the aggregate amount expended or declared for all Restricted Payments pursuant to clause (c) of the first paragraph of this Section 4.7 or clause (x) above, the aggregate amount expended or declared for all Restricted Payments shall be reduced by the greater of (i) the Net Cash Proceeds from the transfer, conveyance, sale, lease or other disposition of such Investment or (ii) the amount of the original Investment, in each case, to the extent originally included in the aggregate amount expended or declared for all Restricted Payments pursuant to clause (c) of the first paragraph of this Section 4.7.

For purposes of this Section 4.7, if a particular Restricted Payment involves a non-cash payment, including a distribution of assets, then such Restricted Payment shall be deemed to be an amount equal to the cash portion of such Restricted Payment, if any, plus an amount equal to the Fair Market Value of the non-cash portion of such Restricted Payment.

SECTION 4.8 Limitation on Dividends and Other Payments Affecting Restricted Subsidiaries.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, cause or suffer to exist or become effective or enter into any encumbrance or restriction (other than pursuant to this Indenture, the Security Documents, law, rules or regulation) on the ability of any Restricted Subsidiary to (i) pay dividends or make any other distributions on its Capital Interests owned by the Company or any Restricted Subsidiary or pay any Debt or other obligation owed to the Company or any Restricted Subsidiary, (ii) make loans or advances to the Company or any Restricted Subsidiary thereof or (iii) transfer any of its property or assets to the Company or any Restricted Subsidiary.

However, the preceding restrictions will not apply to the following encumbrances or restrictions existing under or by reason of:

(a) any encumbrance or restriction in existence on the Issue Date, including those required by the Credit Agreement or any future Debt incurred in compliance with this Indenture (so long as such restrictions are not materially more restrictive, taken as a whole, than the Credit Agreement) and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements, refinancings thereof; *provided* that the amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings, in the good faith judgment of the Company, are not materially more restrictive, taken as a whole, with respect to such dividend or other payment restrictions, than those contained in these agreements on the Issue Date or refinancings thereof;

(b) any encumbrance or restriction pursuant to an agreement relating to an acquisition or disposition of property or assets, so long as the encumbrances or restrictions in any such agreement relate solely to the property or assets, as applicable, so acquired (and are not or were not created in anticipation of or in connection with the acquisition thereof) or disposed, as applicable;

(c) any encumbrance or restriction which exists with respect to a Person that becomes a Restricted Subsidiary after the Issue Date, which is in existence at the time such Person becomes a Restricted Subsidiary, but not created in connection with or in anticipation of such Person becoming a Restricted Subsidiary, and which is not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person becoming a Restricted Subsidiary;

(d) any encumbrance or restriction pursuant to an agreement effecting a permitted renewal, refunding, replacement, refinancing or extension of Debt issued pursuant to an agreement containing any encumbrance or restriction referred to in the foregoing clauses (a) through (c), so long as the encumbrances and restrictions contained in any such refinancing agreement are no less favorable in any material respect to the Company than the encumbrances and restrictions contained in the agreements governing the Debt being renewed, refunded, replaced, refinanced or extended in the good faith judgment of the Company;

(e) customary provisions restricting subletting or assignment of any lease, contract, or license of the Company or any Restricted Subsidiary or provisions in agreements that restrict the assignment of such agreement or any rights thereunder;

(f) any restriction on the sale or other disposition of assets or property securing Debt as a result of a Permitted Lien on such assets or property;

(g) any encumbrance or restriction by reason of applicable law, rule, regulation or order;

(h) any encumbrance or restriction under this Indenture, the Notes, the Note Guarantees and the Security Documents;

(i) restrictions on cash and other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business;

(j) any instrument governing Debt or Capital Interests of a Person acquired by the Company or any of the Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Debt or Capital Interests was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired;

(k) Liens securing Debt otherwise permitted to be incurred under this Indenture, including pursuant to Section 4.12, that limit the right of the debtor to dispose of the assets subject to such Liens;

(l) customary provisions limiting the disposition or distribution of assets or property in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements otherwise permitted by this Indenture, which limitation is applicable only to the assets (including Capital Interests of Subsidiaries) that are the subject of such agreements; and

(m) any agreement for the sale or disposition of a Restricted Subsidiary that restricts distributions prior to the sale.

SECTION 4.9 Limitation on Incurrence of Debt.

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Debt (including Acquired Debt); *provided* that the Company and any of its Restricted Subsidiaries may Incur Debt (including Acquired Debt) if, immediately after giving effect to the Incurrence of such Debt and the receipt and application of the proceeds therefrom, (a) the Consolidated Fixed Charge Coverage Ratio of the Company would be greater than 2.0 to 1.0 (the *"Ratio Test")* determined on a pro forma basis (including a pro forma application of the net proceeds therefrom) and (b) no Event of Default shall have occurred and be continuing at the time or as a consequence of the Incurrence of such Debt; *provided further* that the aggregate amount of Debt (including Acquired Debt) that may be Incurred pursuant to the foregoing by Restricted Subsidiaries that are not Guarantors shall not exceed $20 0 million at the time of Incurrence at any one time outstanding.

Notwithstanding the paragraph above, the Company and its Restricted Subsidiaries may Incur Permitted Debt.

For purposes of determining compliance with this Section 4.9, (A) Debt need not be Incurred solely by reference to one category of Permitted Debt described in clauses of the definition thereof or pursuant to the first paragraph of this covenant but is permitted to be Incurred in part under any combination thereof and (B) in the event that an item of Debt (or any portion thereof) meets the criteria of one or more of the categories of Permitted Debt described in the clauses of the definition thereof or is entitled to be Incurred pursuant to the first paragraph of this Section 4.9, the Company shall, in its sole discretion, classify, or reclassify, or later divide, classify or reclassify, such item of Debt (or any portion thereof) in any manner that complies with this covenant and will only be required to include the amount and type of such item of Debt in one of the Permitted Debt clauses or the first paragraph hereof and such item of Debt will be treated as having been Incurred pursuant to only one of such clauses or pursuant to the first paragraph hereof.

Accrual of interest, the accretion of accreted value, amortization of original issue discount, the payment of interest in the form of additional Debt with the same terms or in the form of common stock of the Company, the payment of dividends on Capital Interests in the form of additional Capital Interests of the same class, the accretion of original issue discount or liquidation preference and increases in the amount of Debt outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Debt will not be deemed to be an Incurrence of Debt for purposes of this Section 4.9. Guarantees of or obligations in respect of letters of credit relating to Debt which is otherwise included in the determination of a particular amount of Debt shall not be included in the determination of such amount of Debt; *provided, however,* that the Incurrence of the Debt represented by such guarantee or letter of credit, as the case may be, was in compliance with this covenant.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Debt, the U.S. dollar-equivalent principal amount of Debt denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Debt was Incurred, in the case of term debt, or first committed or first Incurred (whichever yields the lower U.S. dollar equivalent), in the case of revolving credit debt; *provided* that if such Debt is Incurred to refinance other Debt denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Debt does not exceed the principal amount of such Debt being refinanced.

Notwithstanding any other provision of this covenant, the maximum amount of Debt that the Company and its Restricted Subsidiaries may Incur pursuant to this covenant shall not be deemed to be exceeded, with respect to any outstanding Debt, solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Debt Incurred to refinance other Debt, if Incurred in a different currency from the Debt being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Debt is denominated that is in effect on the date of such refinancing.

Neither the Company nor any Guarantor will Incur any Debt that pursuant to its terms is subordinate or junior in right of payment to any Debt unless such Debt is subordinated in right of payment to the Notes and the Note Guarantees to the same extent; *provided* that Debt will not be considered subordinate or junior in right of payment to any other Debt solely by virtue of being unsecured or secured to a greater or lesser extent or with greater or lower priority.

SECTION 4.10 Limitation on Asset Sales.

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:

(1) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value of the assets or Capital Interests issued or sold or otherwise disposed of;

(2) at least 75% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Eligible Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the most recent consolidated balance sheet of the Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assignment and assumption agreement that releases the Company or Restricted Subsidiary, as the case may be, from further liability; and

(b) any securities, notes or other assets or obligations received by the Company or any Restricted Subsidiary from

such transferee that are converted by the Company or Restricted Subsidiary, as the case may be, into cash within 365 days of their receipt to the extent of the cash received in that conversion; and

(3) if such Asset Sale involves the disposition of Collateral, the Company or its Restricted Subsidiary has complied with the provisions of this Indenture and the Security Documents.

Within 365 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or Restricted Subsidiary) may apply such Net Cash Proceeds at its option:

(i) to the extent such Net Cash Proceeds constitute proceeds from the sale of Collateral, to permanently repay (a) Obligations under the Credit Agreement and permanently reduce the related loan commitments thereunder or (b) the Notes and/or Permitted Additional Pari Passu Obligations *(provided* that if the Company or any Guarantor shall so reduce Obligations under Permitted Additional Pari Passu Obligations (other than Obligations under the Notes), the Company will equally and ratably reduce Obligations under the Notes as provided under Section 3.7 or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase at a purchase price equal to 100% of the principal amount thereof or, in the event that the Notes were issued with significant original issue discount, 100% of the accreted value thereof, plus accrued and unpaid interest on the pro rata principal amount of Notes), in each case other than Debt owed to the Company or an Affiliate of the Company;

(ii) to acquire assets constituting, or any Capital Interests of, a Permitted Business, if, after giving effect to any such acquisition of Capital Interests, such assets are owned by the Company or a Restricted Subsidiary or the Person owning such Permitted Business is or becomes a Restricted Subsidiary of the Company (or in the case of an Asset Sale of Collateral, to acquire additional Collateral);

(iii) to make a capital expenditure in or that is used or useful in or an Investment in a Permitted Business or to make expenditures for maintenance, repair or improvement of existing properties and assets;

(iv) to acquire other assets that are not classified as current assets under GAAP and that are used or useful in a Permitted Business;

(v) to permanently repay Obligations under other Debt ranking parri passu with the Notes if the Asset Sale involves assets that are not Collateral; *provided* that the Issuer will equally and ratably reduce Obligations under the Notes as provided under Section 3.7, or by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase at a purchase price equal to 100% of the principal amount thereof or, in the event that the Notes were issued with significant original issue discount, 100% of the accreted value thereof, plus accrued and unpaid interest on the pro rata principal amount of Notes), in each case other than Debt owed to the Issuer or an Affiliate of the Issuer; or

(vi) any combination of the foregoing; *provided* that, to the extent such Asset Sale involves the sale of Collateral, the consideration received therefor, together with any asset or property in which such consideration is invested pursuant to clause (ii), (iii) or (iv) above shall constitute Collateral subject to the Lien of the Security Document;

provided that a definitive binding agreement committing the Company or a Restricted Subsidiary to apply such Net Cash Proceeds in accordance with the requirements of clause (ii), (iii) or (iv), or any combination thereof, of this paragraph will be treated as a permitted application of the Net Cash Proceeds from the date of such commitment so long as such commitment requires that such Net Cash Proceeds will be applied to satisfy such commitment within 180 days of such commitment and such Net Cash Proceeds are in fact so applied within such 180-day period.

Pending the final application of any Net Cash Proceeds, (i) in the case of Net Cash Proceeds that constitute proceeds from the sale of Collateral, such Net Cash Proceeds shall be deposited directly into the Collateral Account or (ii) in the case of Net Cash Proceeds that do not constitute proceeds from the sale of Collateral, the Company (or Restricted Subsidiary) may temporarily reduce borrowings under the Credit Agreement or any revolving credit facility, or otherwise invest such Net Cash Proceeds in any manner not prohibited by this Indenture.

Subject to the next succeeding paragraph, any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph of this Section 4.10 will constitute *"Excess Proceeds."* When the aggregate amount of Excess Proceeds exceeds $15 0 million (it being understood that the Company may, in its sole discretion, make an Offer to Purchase pursuant to this Section 4.10 prior to the time that the aggregate amount of Excess Proceeds exceeds $15 0 million), within thirty (30) days thereof, the Company will make an Offer to Purchase to all Holders of Notes and to all holders of Permitted Additional Pari Passu Obligations equal to the Excess Proceeds. The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture and such remaining amount shall not be added to any subsequent Excess Proceeds for any purpose under this Indenture. If the aggregate principal amount of Notes and other Permitted Additional Pari Passu Obligations tendered into such Offer to Purchase exceeds the amount of Excess Proceeds, the Trustee will select the Notes and either the Company or the agent for such other Permitted Additional Pari Passu Obligations shall select the other Permitted Additional Pari Passu Obligations to be purchased on a *pro rata* basis. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

The Company and its Restricted Subsidiaries will comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Offer to Purchase. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Indenture, the Company and its Restricted Subsidiaries will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.10 by virtue of such compliance.

SECTION 4.11 Limitation on Transactions with Affiliates.

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction or series of related transactions, contract, agreement, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Company with a Fair Market Value in excess of $10 0 million (each of the foregoing, an *"Affiliate Transaction")* unless:

(i) such Affiliate Transaction is on terms that are not less favorable to the Company or the relevant Restricted Subsidiary than those that could reasonably have been obtained in a comparable arm's-length transaction by the Company or such Restricted Subsidiary with an unaffiliated party; and

(ii) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of $20 0 million, the Company delivers to the Trustee a resolution adopted in good faith by the majority of the Board of Directors of the Company approving such Affiliate Transaction and set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above.

The foregoing limitation does not limit, and shall not apply to:

(1) Restricted Payments that are permitted by Section 4.7 of this Indenture and Permitted Investments;

(2) the payment of reasonable fees and indemnities to members of the Board of Directors of the Company or a Restricted Subsidiary;

(3) any employment agreement, arrangement or plan or similar arrangement entered into by the Company or a Restricted Subsidiary in the ordinary course of business, including the payment of reasonable compensation and other benefits (including retirement, health, option, deferred compensation and other benefit plans) and indemnities to officers and employees of the Company or any Restricted Subsidiary;

(4) transactions between or among the Company and/or its Restricted Subsidiaries;

(5) the issuance of Capital Interests (other than Redeemable Capital Interests) of the Company otherwise permitted hereunder;

(6) any agreement or arrangement as in effect on the Issue Date and any amendment or modification thereto so long as such amendment or modification is not more disadvantageous (taken as a whole) to the Holders of the Notes in any material respect;

(7) transactions in which the Company delivers to the Trustee a written opinion from a nationally recognized investment banking, accounting or appraisal firm to the effect that the transaction is fair, from a financial point of view, to the Company and any relevant Restricted Subsidiaries;

(8) any contribution of capital to the Issuer;

(9) transactions with customers, clients, suppliers or purchasers or sellers of goods or services, in each case, in the ordinary course of business;

(10) payments or loans (or cancellation of loans, advances or guarantees) or advances to officers, directors, employees or consultants or guarantees in respect thereof in the ordinary course of business;

(11) any transaction with a Person (other than an Unrestricted Subsidiary) that would constitute an Affiliate Transaction solely because the Company or a Restricted Subsidiary owns a Capital Interest in or otherwise controls such Person; *provided* that no Affiliate of the Company or any of its Subsidiaries other than the Company or a Restricted Subsidiary shall have a material beneficial interest or otherwise materially participate in such Person;

(12) transactions between the Company or any of its Restricted Subsidiaries and any Person that would constitute an Affiliate Transaction solely because a director of which is also a director of the Company or any direct or indirect parent of the Company; *provided, however,* that such director abstains from voting as a director of the Company or such direct or indirect parent of the Company, as the case may be, on any matter involving such other Person;

(13) pledges of Capital Interests of Unrestricted Subsidiaries;

(14) the existence of, or the performance by the Company or any of its Restricted Subsidiaries of their obligations under the terms of, any customary registration rights agreement to which they are a party or become a party in the future;

(15) any issuance of Capital Interests pursuant to employment agreements, stock options and stock ownership plans in the ordinary course of business and approved by the Board of Directors of the Company; and

(16) the grant of equity incentives or similar rights in the ordinary course of business to employees and directors pursuant to plans approved by the Board of Directors of the Company.

SECTION 4.12 Limitation on Liens.

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to enter into, create, incur, assume or suffer to exist any Liens of any kind, on or with respect to the Collateral except Permitted Collateral Liens. Subject to the immediately preceding sentence, the Company will not, and will not permit any of its Restricted Subsidiaries to enter into, create, incur, assume or suffer to exist any Liens of any kind, other than Permitted Liens, on or with respect to any of its property or assets now owned or hereafter acquired or any interest therein or any income or profits therefrom with respect to property (other than, in each case, Collateral) that secures Debt without securing the Notes and all other amounts due under this Indenture and the Security Documents (for so long as such Lien exists) equally and ratably with (or prior to) the obligation or liability secured by such Lien.

Any Lien created for the benefit of the Holders pursuant to the preceding sentence shall provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the initial Lien giving rise to such equal and ratable requirement.

For purposes of determining compliance with this Section 4.12, (A) a Lien securing an item of Debt need not be permitted solely by reference to one category of Permitted Collateral Liens and/or Permitted Liens described in definition of "Permitted Collateral Liens" or "Permitted Liens," as applicable, or pursuant to the first paragraph of this Section 4.12 but may be permitted in part under any combination thereof and (B) in the event that a Lien securing an item of Debt meets the criteria of one or more of the categories of Permitted Collateral Liens and/or Permitted Liens described in the definition of "Permitted Collateral Liens" or "Permitted Liens," as applicable, or pursuant to the first paragraph of this Section 4.12, the Company shall, in its sole discretion, classify or reclassify, or later divide, classify or reclassify, such Lien securing such item of Debt (or any portion thereof) in any manner that complies with this Section 4.12 and will only be required to include the amount and type of such Lien or such item of Debt secured by such Lien in one of the clauses of the definition of "Permitted Collateral Liens" or "Permitted Liens," as applicable, and such Lien securing such item of Debt will be treated as being Incurred or existing pursuant to only one of such clauses or pursuant to the first paragraph hereof.

With respect to any Lien securing Debt that was permitted to secure such Debt at the time of the Incurrence of such Debt, such Lien shall also be permitted to secure any Increased Amount of such Debt. The *"Increased Amount"* of any Debt shall mean any increase in the amount of such Debt that is not deemed to be an Incurrence of Debt or reserve of capital stock for purposes of Section 4.9.

SECTION 4.13 [Reserved].

SECTION 4.14 Offer To Purchase upon Change of Control.

Upon the occurrence of a Change of Control, the Issuer will make an Offer to Purchase (the *"Change of Control Offer")* all of the outstanding Notes at a purchase price (the *"Purchase Price")* in cash equal to 101% of the principal amount tendered, together with accrued interest, if any, to but not including the Purchase Date (the *"Change of Control Payment").* For purposes of the foregoing, an Offer to Purchase shall be deemed to have been made if (i) within 30 days following the date of the consummation of a transaction or series of transactions that constitutes a Change of Control, the Issuer commences an Offer to Purchase all outstanding Notes at the Purchase Price and (ii) all Notes properly tendered pursuant to the Offer to Purchase are purchased on the terms of such Offer to Purchase.

On the Purchase Date, the Issuer shall, to the extent lawful, (a) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (b) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all Notes or portions thereof so tendered and (c) otherwise comply with Section 3.9.

The Change of Control provisions described above will be applicable whether or not any other provisions of this Indenture are applicable.

The Issuer shall not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes such Change of Control Offer contemporaneously with or upon a Change of Control in the manner, at the times and otherwise in compliance with the requirements set forth herein applicable to a Change of Control Offer made by the Issuer and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption has been given pursuant to Section 3.7.

The Notes repurchased by the Issuer pursuant to a Change of Control Offer shall have the status of Notes issued but not outstanding or will be retired and canceled at the option of the Issuer. The Notes purchased by a third party pursuant to the preceding paragraph shall have the status of Notes issued and outstanding.

The Issuer will be required to comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable

securities or regulations in connection with any Change of Control Offer as described above and no Default or Event of Default shall be deemed to have occurred as a result of such compliance.

In addition, an Offer to Purchase may be made in advance of a Change of Control or may be conditional upon such Change of Control.

SECTION 4.15 Maintenance of Collateral and Corporate Existence.

The Company will, and will cause each of the Restricted Subsidiaries to (i) at all times maintain, preserve and protect all property material to the conduct of its business and keep such property in good repair, working order and condition (other than wear and tear occurring in the ordinary course of business); (ii) from time to time make, or cause to be made, all necessary and proper repairs, renewals, additions, improvements and replacements thereto necessary in order that the business carried on in connection therewith may be properly conducted at all times and (iii) keep its insurable property insured at all times by financially sound and reputable insurers. The Company and each Guarantor shall add the Collateral Agent as a co-loss payee on property and casualty policies and as an additional insured as its interests may appear on the liability policies.

SECTION 4.16 [Reserved].

SECTION 4.17 [Reserved].

SECTION 4.18 Additional Note Guarantees.

If, after the Issue Date, the Company acquires or creates any Subsidiaries, the Company will cause each of its wholly-owned Restricted Subsidiaries (other than (x) any Foreign Subsidiary, (y) any Restricted Subsidiary that is prohibited by law from guaranteeing the Notes or that would experience material adverse tax consequences as a result of providing a guarantee of the Notes (so long as, in the case of this clause, such Restricted Subsidiary has not provided a guarantee of any other Debt of the Company or any Guarantor) that is not then a Guarantor and (z) any Excluded Subsidiary), within 20 Business Days of the date that such Subsidiary has been acquired or created, to execute and deliver to the Trustee a supplemental indenture pursuant to which such Restricted Subsidiary shall become a Guarantor under this Indenture governing the Notes providing for a Note Guarantee by such Restricted Subsidiary that ranks *pari passu* with the guarantee of such Debt under the Credit Agreement.

Each Note Guarantee by a Guarantor will be limited to an amount not to exceed the maximum amount that can be guaranteed by that Restricted Subsidiary without rendering the Guarantee, as it relates to such Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. The Obligations of any Person that is or becomes a Guarantor after the Issue Date will be secured equally and ratably by a second-priority security interest in the Collateral granted to the Collateral Agent for the benefit of the Holders of the Notes and the holders of Permitted Additional Pan Passu Obligations. Such Guarantor will enter into a joinder agreement to the applicable Security Documents and take all actions required thereunder to perfect the liens created thereunder.

SECTION 4.19 Limitation on Creation of Unrestricted Subsidiaries.

The Company may designate any Subsidiary of the Company to be an "Unrestricted Subsidiary" as provided below, in which event such Subsidiary and each other Person that is a Subsidiary of such Subsidiary will be deemed to be an Unrestricted Subsidiary.

The Company may designate any Subsidiary to be an Unrestricted Subsidiary unless such Subsidiary owns any Capital Interests of, or owns or holds any Lien on any property of, any other Restricted Subsidiary of the Company, *provided* that either:

(x) the Subsidiary to be so designated has total assets of $1,000 or less; or

(y) immediately after giving effect to such designation, the Company either (i) could Incur at least $1.00 of additional Debt (other than Permitted Debt) pursuant to the first paragraph under Section 4.9 or (ii) would have a Consolidated Fixed Charge Coverage Ratio that is at least equal to the Consolidated Fixed Charge Coverage Ratio immediately prior to giving effect to such transaction; *provided further* that, in each case, the Company could make a Restricted Payment or a Permitted Investment in an amount equal to the greater of the Fair Market Value or book value of such Subsidiary pursuant to Section 4.7 and such amount is thereafter treated as a Restricted Payment or a Permitted Investment for the purpose of calculating the amount available in connection with Section 4.7.

An Unrestricted Subsidiary may be designated as a Restricted Subsidiary if (i) all the Debt of such Unrestricted Subsidiary could be Incurred pursuant to Section 4.9 and (ii) all the Liens on the property and assets of such Unrestricted Subsidiary could be incurred pursuant to Section 4.12.

SECTION 4.20 Further Assurances.

The Company will, at its expense and will cause each of its existing and future Restricted Subsidiaries, at its expense, to duly execute and deliver, or cause to be duly executed and delivered, such further agreements, documents and instruments, and do or cause to be done such further acts as may be necessary or proper or the Collateral Agent may reasonably request (although the Collateral Agent shall not have

any obligation to request) to:

(1) grant, evidence, perfect, maintain and enforce the security interests and the priority thereof in the Collateral in favor of the Collateral Agent for its benefit and for the benefit of the Holders of the Notes and any Permitted Additional Pari Passu Obligations and the Trustee; and

(2) otherwise effectuate the provisions or purposes of this Indenture and the Security Documents.

Notwithstanding anything to the contrary in the foregoing, the Company and the Guarantors will not be required to (v) take any action to grant, evidence, perfect, maintain or enforce any security interest in the Excluded Assets, (w) enter into or obtain any pledge of the stock of the Foreign Subsidiaries under the laws of their respective jurisdictions, (x) obtain from any owner of Real Property occupied by the Company or a Guarantor any consent, estoppel, or collateral access agreement, except to the extent required by the Security Documents, (y) enter into or obtain any mortgage or deed of trust with respect to any fee interest or leasehold interest or the Company or the Guarantor in Real Property, except to the extent required by this Indenture, or (z) enter into or obtain any control agreement for any account maintained by the Company or a Guarantor, except to the extent required by the Security Documents.

SECTION 4.21 Covenant Suspension.

(a) If on any date following the Issue Date:

(1) the Notes are rated both at least Baa3 (stable) by Moody's and at least BBB-(stable) by Standard & Poor's (or, if either such entity ceases to rate the Notes for reasons outside of the control of the Issuer, the equivalent investment grade credit rating from any other "nationally recognized statistical rating organization" within the meaning of Section 3(a)(62) under the Exchange Act, selected by the Issuer as a replacement agency); and

(2) no Default or Event of Default shall have occurred and be continuing,

(the occurrence of the events described in the foregoing clauses (1) and (2) being collectively referred to as a *"Covenant Suspension Event")*, then, beginning on that day (the *"Suspension Date")* and subject to the provisions of the following paragraph, the Company and the Restricted Subsidiaries shall not be subject to the following provisions of this Indenture: Sections 4.7, 4.8, 4.9, 4.10, 4.11 and 4.18, clause (y) of the second paragraph of Section 4.19 and clause (iii) of the first paragraph of Section 5.1 (the *"Suspended Covenants")*.

(b) Notwithstanding the foregoing, if the rating assigned by such rating agency should subsequently decline and the Notes are not rated both at least Baa3 (stable) by Moody's and at least BBB-(stable) by Standard & Poor's (or if either such agency ceases to rate the Notes, the equivalent investment grade credit rating from another nationally recognized statistical rating organization), then the Suspended Covenants shall be reinstated as of and from the date of such rating decline (the *"Reversion Date")*. Notwithstanding that the suspended covenants may be reinstated, no Default shall be deemed to have occurred as a result of a failure to comply with such suspended covenants during any period such covenants have been suspended.

(c) The period of time between the Suspension Date and the Reversion Date is referred to as the *"Suspension Period."* Calculations under the reinstated Section 4.7 shall be made as if such section had been in effect since the Issue Date. Accordingly, Restricted Payments made during the Suspension Period shall reduce the amount available to be made as Restricted Payments under clause (A) of Section 4.7, except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made while that section was suspended. On each Reversion Date, all Debt Incurred during the Suspension Period shall be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (iii) of the definition of Permitted Debt.

(d) During any period that the foregoing covenants have been suspended, the Issuer's Board of Directors may not designate any of its Subsidiaries as Unrestricted Subsidiaries pursuant to Section 4.19.

(e) The Issuer shall deliver an Officers' Certificate to the Trustee specifying (i) if a Suspension Period has commenced or ended, (ii) the dates of such commencement or ending and (iii) other relevant matters. The Trustee shall have no duty to monitor whether or not any covenants have been suspended or, if a Suspension Period has commenced or ended, nor does it have any duty to notify the noteholders of any of the preceding.

SECTION 4.22 After Acquired Property.

After the acquisition of any Real Property (other than Excluded Real Property) by the Company or any Guarantor, to the extent requested by the Credit Agreement Collateral Agent (or after the Discharge of Credit Agreement Obligations has occurred, no later than 90 days after the acquisition of such Real Property), the Company or such Guarantor will provide the Collateral Agent (i) a mortgage duly executed and delivered by the Company or applicable Guarantor, (ii) a title insurance policy for such property available in each applicable jurisdiction insuring the Lien of each such mortgage as a valid first or second priority Lien, as the case may be, on the property described therein, free of any other Liens except as expressly permitted by the Senior Secured Note Documents, together with such endorsements, coinsurance and reinsurance in such amounts as the Collateral Agent may reasonably request, (iii) a completed Life-of-Loan Federal Emergency Management Agency Standard Flood Hazard Determination with respect to each mortgaged property (together with a notice about special flood hazard area status and flood disaster assistance duly executed by the Company or each Guarantor relating thereto) and if any improvements on any mortgaged property is designated as a "flood hazard area," evidence of such flood insurance with a financially

sound and reputable insurer in an amount reasonably acceptable to the Credit Agreement Collateral Agent and if the Credit Agreement is not outstanding then in the good faith judgment of the Company and otherwise sufficient to comply with all applicable rules and regulations promulgated pursuant to the applicable flood insurance laws, (iv) such existing surveys, existing abstracts, existing appraisals, legal opinions and other documents as the Collateral Agent may reasonably request with respect to any such mortgaged property, (v) an opinion of local counsel for the Company or such Guarantor in the jurisdiction of such Real Property, addressed to the Collateral Agent and the other secured parties and reasonably acceptable to the Collateral Agent and (vi) such fixture filings and other items (if any) as are reasonably necessary or appropriate to perfect the Collateral Agent's Lien in such Collateral.

ARTICLE V

SUCCESSORS

SECTION 5.1 Consolidation, Merger, Conveyance, Transfer or Lease.

The Company will not, in any transaction or series of transactions, consolidate with or merge into any other Person (other than a merger of a Restricted Subsidiary into the Company in which the Company is the continuing Person), or sell, assign, convey, transfer, lease or otherwise dispose of all or substantially all of the assets of the Company and its Restricted Subsidiaries (determined on a consolidated basis), taken as a whole, to any other Person, unless:

(i) either: (a) the Company shall be the continuing Person or (b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged, or the Person that acquires, by sale, assignment, conveyance, transfer, lease or other disposition, all or substantially all of the property and assets of the Company (such Person, the *"Surviving Entity")*, (1) shall be a corporation, partnership, limited liability company or similar entity organized and validly existing under the laws of the United States, any political subdivision thereof or any state thereof or the District of Columbia, (2) shall expressly assume, by a supplemental indenture, the due and punctual payment of all amounts due in respect of the principal of (and premium, if any) and interest on all the Notes and the performance of the covenants and obligations of the Company under this Indenture and (3) shall expressly assume, by supplemental indenture and, if applicable, other necessary documentation executed and delivered to the Trustee and the Collateral Agent, the due and punctual performance of the covenants and obligations of the Company under the Security Documents; *provided* that at any time the Company or its successor is not a corporation, there shall be a co-issuer of the Notes that is a corporation;

(ii) immediately before and immediately after giving effect to such transaction or series of transactions on a pro forma basis (including, without limitation, any Debt Incurred in connection with or in respect of such transaction or series of transactions), no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(iii) immediately after giving effect to any such transaction or series of transactions on a pro forma basis (including, without limitation, any Debt Incurred or anticipated to be Incurred in connection with or in respect of such transaction or series of transactions) as if such transaction or series of transactions had occurred on the first day of the determination period, the Company (or the Surviving Entity if the Company is not continuing), either (a) could Incur $1.00 of additional Debt (other than Permitted Debt) under the first paragraph of Section 4.9 or (b) would have a Consolidated Fixed Charge Coverage Ratio that is at least equal to the Consolidated Fixed Charge Coverage Ratio immediately prior to giving effect to such transaction;

(iv) the Company delivers, or causes to be delivered, to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance, assignment, transfer, lease or other disposition complies with the requirements of this Indenture and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms;

(v) the Collateral owned by or transferred to the Surviving Entity shall (a) continue to constitute Collateral under this Indenture and the Security Documents, (b) be subject to the Lien in favor of the Collateral Agent for the benefit of the Trustee and the Holders of the Notes, and (c) not be subject to any Lien other than Permitted Liens, in each case except as otherwise permitted by this Indenture; and

(vi) the property and assets of the Person which is merged or consolidated with or into the Surviving Entity, to the extent that they are property or assets of the types which would constitute Collateral under the Security Documents, shall be treated as after-acquired property and the Surviving Entity shall take such action as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the Security Documents in the manner and to the extent required in this Indenture.

The preceding clause (ii) and (iii) will not prohibit a merger between the Company and an Affiliate incorporated solely for the purpose of converting the Company into a corporation organized under the laws of the United States or any political subdivision or state thereof so long as the amount of Debt of the Company and its Restricted Subsidiaries is not increased thereby, except for Debt incurred in the ordinary course of business to pay fees, expenses and other costs associated with such transaction.

For all purposes of this Indenture and the Notes, Subsidiaries of any Surviving Entity will, upon such transaction or series of transactions, become Restricted Subsidiaries or Unrestricted Subsidiaries as provided pursuant to Section 4.19 and all Debt, and all Liens on property or assets, of the Surviving Entity and its Subsidiaries that was not Debt, or were not Liens on property or assets, of the Company and its Subsidiaries immediately prior to such transaction or series of transactions shall be deemed to have been Incurred upon such transaction or series of transactions.

SECTION 5.2 Successor Person Substituted.

Upon any transaction or series of transactions involving the Company that are of the type described in Section 5.1 and are effected in accordance with the conditions described therein in which the Company is not the Surviving Entity, the Surviving Entity shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such Surviving Entity had been named as the Company therein; and when a Surviving Entity duly assumes all of the obligations and covenants of the Company pursuant to this Indenture and the Notes, except in the case of a lease, the predecessor Person shall be relieved of all such obligations.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.1 Events of Default.

Each of the following constitutes an *"Event of Default":*

(1) default in the payment in respect of the principal of (or premium, if any, on) any Note at its maturity (whether at Stated Maturity or upon repurchase, acceleration, optional redemption or otherwise);

(2) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;

(3) failure to perform or comply with Section 5.1;

(4) except as permitted by this Indenture, any Note Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) shall for any reason cease to be, or it shall be asserted by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms (except as specifically provided in this Indenture);

(5) default in the performance, or breach, of (i) any covenant or agreement of the Company or any Guarantor in this Indenture (other than (x) a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (1), (2) (3) or (4) above or (y) a covenant or agreement contained in Section 4.3), and continuance of such default or breach for a period of 60 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes or (ii) any covenant or agreement contained in Section 4.3 and continuance of such default or breach for a period of 120 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes;

(6) a default or defaults under any bonds, debentures, notes or other evidences of Debt (other than the Notes) by the Company or any Restricted Subsidiary of the Company having, individually or in the aggregate, a principal or similar amount outstanding of at least $25.0 million, whether such Debt now exists or shall hereafter be created, which default or defaults shall have resulted in the acceleration of the maturity of such Debt prior to its express maturity or shall constitute a failure to pay at least $25.0 million of such Debt when due and payable at the stated maturity of such Debt (after the expiration of any applicable grace period with respect thereto);

(7) the entry against the Issuer or any Restricted Subsidiary of the Issuer that is a Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) of a final non-appealable judgment or final non-appealable judgments for the payment of money in an aggregate amount in excess of $25.0 million (other than any judgments covered by indemnities or insurance policies as to which liability coverage has not been denied by the insurance company or indemnifying party), by a court or courts of competent jurisdiction, which judgments remain undischarged, unwaived, unstayed, unbonded or unsatisfied for a period of 60 consecutive days;

(8) (i) the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Code:

(a) commences a voluntary case,

(b) consents to the entry of an order for relief against it in an involuntary case,

(c) consents to the appointment of a Custodian of it or for all or substantially all of its property,

(d) makes a general assignment for the benefit of its creditors, or

(e) admits, in writing, its inability generally to pay its debts as they become due; or

(ii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Code that:

(a) is for relief against the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, in an involuntary case;

(b) appoints a Custodian of the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; or

(c) orders the liquidation of the Issuer or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days.

The term *"Custodian"* means any receiver, trustee, assignee, liquidator or similar official under any Bankruptcy Code; or

(9) unless all of the Collateral has been released from the Note Liens in accordance with the provisions of the Security Documents, default by the Company or any of its Restricted Subsidiaries or Guarantors in the performance of the Security Documents which adversely affects in any material respect the enforceability, validity, perfection or priority of the Note Liens on a material portion of the Collateral, the repudiation or disaffirmation by the Company or any of its Restricted Subsidiaries or Guarantors of any material obligations under the Security Documents or the determination in a judicial proceeding that the Security Documents are unenforceable or invalid against the Company or any of its Restricted Subsidiaries or Guarantors party thereto for any reason with respect to a material portion of the Collateral (which default, repudiation, disaffirmation or determination is not rescinded, stayed, or waived by the Persons having such authority pursuant to the Security Documents) or otherwise cured within 60 days after the Company receives written notice thereof specifying such occurrence from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Note Obligations and demanding that such default be remedied.

The Trustee shall not be deemed to have notice of any Event of Default and shall not have any duty or responsibility in respect thereof unless and until a Responsible Officer of the Trustee has received written notice of such Event of Default or has actual knowledge of such Event of Default. Delivery of reports, information and documents to the Trustee under Section 4.3 is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder or the existence of an Event of Default (as to which the Trustee is entitled to rely exclusively on Officers' Certificates, except as otherwise provided herein).

SECTION 6.2 Acceleration.

If an Event of Default (other than an Event of Default specified in clause (8) of Section 6.1 with respect to the Issuer) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes may declare the principal of the Notes and any accrued interest on the Notes to be due and payable immediately by a notice in writing to the Issuer (and to the Trustee if given by Holders); *provided, however*, that after such acceleration, but before a judgment or decree based on acceleration, the Holders of a majority in aggregate principal amount of the outstanding Notes may, under certain circumstances, rescind and annul such acceleration if all Events of Default, other than the nonpayment of accelerated principal of or interest on the Notes, have been cured or waived as provided in this Indenture.

In the event of a declaration of acceleration of the Notes solely because an Event of Default described in clause (6) of Section 6.1 has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically rescinded and annulled if the event of default or payment default triggering such Event of Default pursuant to clause (6) of Section 6.1 shall be remedied or cured by the Issuer or any of its Restricted Subsidiaries or waived by the holders of the relevant Debt within 20 Business Days after the declaration of acceleration with respect thereto and if the rescission and annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction obtained by the Trustee for the payment of amounts due on the Notes.

If an Event of Default specified in clause (8) of Section 6.1 occurs with respect to the Issuer, the principal of and any accrued interest on the Notes then outstanding shall ipso facto become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. The Trustee may withhold from the Holders notice of any Default (except Default in payment of principal of, premium, if any, and interest) if the Trustee determines that withholding notice is in the interests of the Holders to do so.

Pursuant to Section 4.4, the Issuer shall deliver to the Trustee annually a statement regarding compliance with this Indenture, and the Issuer shall, upon becoming aware of any Default or Event of Default, deliver to the Trustee a statement specifying such Default or Event of Default.

SECTION 6.3 Other Remedies.

If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, or interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the

proceeding. A delay or omission by the Trustee or any Holder in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.4 Waiver of Past Defaults.

The Holders of a majority in aggregate principal amount of the Notes then outstanding by written notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under this Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal of, the Notes (other than as a result of an acceleration), which shall require the written consent of all of the Holders of the Notes then outstanding. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

SECTION 6.5 Control by Majority.

Subject to Section 7.2(f) and the Intercreditor Agreement, the Holders of a majority in aggregate principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust power conferred on it. However, (i) the Trustee may refuse to follow any direction that conflicts with law or this Indenture, that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability, and (ii) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 6.6 Limitation on Suits.

A Holder may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder gives to the Trustee written notice of a continuing Event of Default or the Trustee receives such notice from the Issuer;

(b) the Holders of at least 25% in aggregate principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

(c) such Holder or Holders offer and provide to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of such indemnity or security; and

(e) prior to the expiration of such 60-day period the Holders of a majority in aggregate principal amount of the then outstanding Notes have not given the Trustee a direction inconsistent with the request.

A Holder may not use this Indenture to prejudice the rights of another Holder or to obtain a preference or priority over another Holder.

SECTION 6.7 Rights of Holders of Notes To Receive Payment.

Notwithstanding any other provision of this Indenture, the right of any Holder to receive payment of principal, premium, if any, and interest on or after the respective due dates expressed in the Note (including in connection with an Offer to Purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.8 Collection Suit by Trustee.

If an Event of Default specified in Section 6.1(1) or (2) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.9 Trustee May File Proofs of Claim.

The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes), their creditors or their property and shall be entitled and empowered to collect, receive and distribute any money or other securities or property payable or deliverable upon the exchange of the Notes or on any such claims and any Custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and

advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.8 hereof To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.8 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.10 Priorities.

Subject to the terms of the Intercreditor Agreement and the Security Agreement, any money or property collected by the Trustee or the Collateral Agent (or received by the Trustee from the Collateral under any Security Documents) pursuant to this Article VI and any money or other property distributable in respect of the Issuer's obligations under this Indenture after an Event of Default shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money or property on account of principal (or premium, if any) or interest, if any, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: to the Trustee (including any predecessor Trustee), in each of its capacities under the Indenture, the Collateral Agent, their agents and attorneys for amounts due under Section 7.8 hereof, including payment of all reasonable compensation, expense and liabilities incurred, and all advances made, by the Trustee and/or the Collateral Agent and the costs and expenses of collection;

Second: to Holders of Notes for amounts due and unpaid on the Notes for principal, premium, if any, and interest ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest respectively;

Third: without duplication, to the Holders for any other Obligations owing to the Holders under this Indenture and the Notes; and

Fourth: to the Issuer or to such party as a court of competent jurisdiction shall direct.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

SECTION 6.11 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.11 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.7 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE VII

TRUSTEE AND COLLATERAL AGENT

SECTION 7.1 Duties of Trustee.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and the Security Documents, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Security Documents and the Trustee need perform only those duties that are specifically set forth in this Indenture and the Security Documents and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture or the Security Documents. However, the Trustee shall be under a duty to examine such certificates and opinions in the case of certificates or opinions specifically required by any provision hereof to be furnished to it to determine whether or not they conform on their face to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts or conclusions stated therein).

(c) The Trustee may not be relieved from liability for its own negligent action, its own negligent failure to act, or its own willful

misconduct, except that:

(i) this paragraph does not limit the effect of paragraphs (b) or (e) of this Section 7.1;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by an officer of the Trustee, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.5 hereof or otherwise in accordance with the direction of the Holders of a majority in principal amount of outstanding Notes relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee or the Collateral Agent under this Indenture or the Security Documents.

(d) Whether or not therein expressly so provided, every provision of this Indenture or any provision of any Security Document that in any way relates to the Trustee or the Collateral Agent is subject to Sections 7.1 and 7.2 hereof

(e) No provision of this Indenture or the Security Documents shall require the Trustee or the Collateral Agent to expend or risk its own funds or incur any liability. The Trustee and the Collateral Agent shall be under no obligation to exercise any of their rights and powers under this Indenture or the Security Documents at the request of any Holders, unless such Holder shall have offered to the Trustee and/or the Collateral Agent, as applicable, security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

SECTION 7.2 Rights of Trustee.

(a) The Trustee may conclusively rely upon and shall be fully protected in acting or refraining from acting on any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in any such document.

(b) Before the Trustee acts or refrains from acting, it shall be entitled to receive upon request an Officers' Certificate and an Opinion of Counsel. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of the Trustee's own choosing and the Trustee shall be fully protected from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance on the advice or opinion of such counsel or on any Opinion of Counsel.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any attorney or agent appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture. Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by an Officers' Certificate and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution. Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon an Officers' Certificate.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee security and indemnity satisfactory to the Trustee against the costs, loss, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or documents, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine during normal business hours the books, records and premises of the Issuer or any Guarantor, personally or by agent or attorney at the sole cost of the Issuer, and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(h) The rights, privileges, protections and benefits given to the Trustee, including, without limitation, its rights to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Persons employed to act hereunder or under any Security Document (including, without limitation, the Collateral Agent). For the avoidance of doubt, any reference to negligence with reference to the Trustee shall be changed to gross negligence when interpreting such provisions with reference to the Collateral Agent.

(i) The Trustee may request that the Issuer deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specified actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificate previously delivered and not superseded.

(j) The permissive right of the Trustee to take or refrain from taking any actions enumerated in this Indenture or any Security Document shall not be construed as a duty.

(k) In the event that the Trustee (in such capacity or in any other capacity hereunder or under any Security Document) is unable to decide between alternative courses of action permitted or required by the terms of this Indenture or any Security Document, or in the event that the Trustee is unsure as to the application of any provision of this Indenture or any Security Document, or believes any such provision is ambiguous as to its application, or is, or appears to be, in conflict with any other applicable provision, or in the event that this Indenture or any Security Document permits any determination by or the exercise of discretion on the part of the Trustee or is silent or is incomplete as to the course of action that the Trustee is required to take with respect to a particular set of facts, the Trustee shall promptly give notice (in such form as shall be appropriate under the circumstances) to the Holders requesting instruction as to the course of action to be adopted, and to the extent the Trustee acts in good faith in accordance with any written instructions received from a majority in aggregate principal amount of the then outstanding Notes, the Trustee shall not be liable on account of such action to any Person. If the Trustee shall not have received appropriate instruction within 10 days of such notice (or such shorter period as reasonably may be specified in such notice or as may be necessary under the circumstances) it may, but shall be under no duty to, take or refrain from taking such action as it shall deem to be in the best interests of the Holders and the Trustee shall have no liability to any Person for such action or inaction.

(l) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

SECTION 7.3 Limitation on Duty of Trustee and Collateral Agent in Respect of Collateral; Indemnification.

(a) Beyond the exercise of reasonable care in the custody thereof, neither the Trustee nor the Collateral Agent shall have any duty as to any Collateral in its possession or control or in the possession or control of any agent or bailee or any income thereon or as to preservation of rights against prior parties or any other rights pertaining thereto and neither the Trustee nor the Collateral Agent shall be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any security interest in the Collateral. Both the Trustee and the Collateral Agent shall be deemed to have exercised reasonable care in the custody of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which it accords its own property and shall not be liable or responsible for any loss or diminution in the value of any of the Collateral, by reason of the act or omission of any carrier, forwarding agency or other agent or bailee selected by the Trustee or the Collateral Agent in good faith.

(b) Neither the Trustee nor the Collateral Agent shall be responsible for the existence, genuineness, value or protection of any of the Collateral (except for the safe custody of Collateral in its possession and the accounting for Trust Monies actually received), for the legality, effectiveness or sufficiency of any Security Document, or for the creation, perfection, priority, sufficiency or protection of the Liens in any of the Collateral, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder, except to the extent such action or omission constitutes gross negligence or willful misconduct on the part of the Trustee or the Collateral Agent, for the validity or sufficiency of the Collateral or any agreement or assignment contained therein, for the validity of the title of the Issuer or any Guarantors to the Collateral, for insuring or maintaining insurance on the Collateral or for the payment of taxes, charges, assessments or Liens upon the Collateral or otherwise as to the maintenance of the Collateral.

SECTION 7.4 Individual Rights of Trustee.

The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. Any Agent may do the same with like rights and duties. However, in the event that the Trustee acquires any conflicting interest as defined in Section 310(b) of the TIA, it must eliminate such conflict within 90 days or resign. The Trustee is also subject to Sections 7.10 and 7.11 hereof

SECTION 7.5 Trustee's Disclaimer.

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, or the existence, genuineness, value or protection of any Collateral (except for the safe custody of Collateral in its possession) for the legality, effectiveness or sufficiency of any Security Document or for the creation, perfection, priority, sufficiency or protection of any Note Lien, and it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes, any statement or recital in any document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication on the Notes.

SECTION 7.6 Notice of Defaults.

If a Default occurs and is continuing and if it is actually known to a Responsible Officer of the Trustee, the Trustee shall deliver to

Holders a notice of the Default within 90 days after it occurs. Except in the case of a Default in payment of principal of, premium, if any, or interest on any Note, the Trustee may withhold the notice if and so long as the Trustee in good faith determines that withholding the notice is in the interests of the Holders.

SECTION 7.7 Reports by Trustee to Holders of the Notes.

Within 60 days after each March 31 beginning with March 31, 2015, and for so long as Notes remain outstanding, the Trustee shall deliver to the Holders a brief report dated as of such reporting date that complies with TIA § 313(a) (but if no event described in TIA § 313 (a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA § 313(b). The Trustee shall also transmit by mail all reports as required by TIA § 313(c).

SECTION 7.8 Compensation and Indemnity.

The Issuer shall pay to the Trustee from time to time reasonable compensation for its acceptance of this Indenture and services hereunder in accordance with a separate fee agreement. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Issuer shall indemnify the Trustee (which for purposes of this Section 7.8 shall include its officers, due directors, stockholders, employees and agents) against any and all claims, damage, losses, liabilities or expenses incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Issuer (including this Section 7.8) and defending itself against any claim (whether asserted by the Issuer or any Holder or any other Person) or liability in connection with the exercise or performance of any of its powers or duties hereunder except to the extent any such loss, claim, damage, liability or expense has been determined in a final non-appealable decision of a court of competent jurisdiction to have been caused by its own negligence or willful misconduct. The Trustee shall notify the Issuer promptly of any claim of which a Responsible Officer has received written notice for which it may seek indemnity Failure by the Trustee to so notify the Issuer shall not relieve the Issuer of their obligations hereunder. The Issuer shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Issuer shall pay the reasonable fees and expenses of such counsel. The Issuer need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Issuer under this Section 7.8 shall survive the satisfaction and discharge or termination for any reason of this Indenture or the resignation or removal of the Trustee.

To secure the Issuer's obligations in this Section 7.8, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal or interest, if any, on particular Notes. Such Lien shall survive the satisfaction and discharge or termination for any reason of this Indenture and the resignation or removal of the Trustee.

In addition, and without prejudice to the rights provided to the Trustee under any of the provisions of this Indenture, when the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.1(8) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Code.

"Trustee" for the purposes of this Section 7.8 shall include any predecessor Trustee and the Trustee in each of its capacities hereunder and each agent, custodian and other person employed to act hereunder or under any Security Document; *provided, however*, that the negligence or willful misconduct of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

The Trustee shall comply with the provisions of TIA § 313(b)(2) to the extent applicable.

SECTION 7.9 Replacement of Trustee.

A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.9.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing. The Issuer may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.11 hereof;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Code;

(c) a Custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee, the Issuer or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction, at the expense of the Issuer, for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.11 hereof, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and the duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to the Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, *provided* that all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.8 hereof Notwithstanding replacement of the Trustee pursuant to this Section 7.9, the Issuer's obligations under and the Lien provided for in Section 7.8 hereof shall continue for the benefit of the retiring Trustee.

SECTION 7.10 Successor Trustee by Merger, Etc.

If the Trustee or any Agent consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another Person, the successor Person without any further act shall be the successor Trustee or any Agent, as applicable.

SECTION 7.11 Eligibility; Disqualification.

There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trust power and that is subject to supervision or examination by federal or state authorities. The Trustee together with its Affiliates shall at all times have a combined capital surplus of at least $50.0 million as set forth in its most recent annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA §§ 310(a)(1), (2) and (5). The Trustee is subject to TIA § 310(b) including the provision in § 310(b)(1); *provided* that there shall be excluded from the operation of TIA § 310(b)(1) any indenture or indentures under which other securities, or certificates of interest or participation in other securities, of the Issuer or any Guarantors are outstanding if the requirements for exclusion set forth in TIA § 310(b)(1) are met.

SECTION 7.12 Preferential Collection of Claims Against the Issuer.

The Trustee is subject to TIA § 311(a), excluding any creditor relationship listed in TIA § 311(b). A Trustee who has resigned or been removed shall be subject to TIA § 311(a) to the extent indicated therein.

SECTION 7.13 Trustee's Application for Instructions from the Issuer.

Any application by the Trustee for written instructions from the Issuer may, at the option of the Trustee, set forth in writing any action proposed to be taken or omitted by the Trustee under this Indenture and the date on and/or after which such action shall be taken or such omission shall be effective. The Trustee shall not be liable for any action taken by, or omission of, the Trustee in accordance with a proposal included in such application on or after the date specified in such application (which date shall not be less than twenty (20) Business Days after the date any officer of the Issuer actually receives such application, unless any such officer shall have consented in writing to any earlier date) unless prior to taking any such action (or the effective date in the case of an omission), the Trustee shall have received written instructions in response to such application specifying the action to be taken or omitted.

SECTION 7.14 Limitation of Liability.

In no event shall the Trustee, in its capacity as such or as Collateral Agent, Paying Agent or Registrar or in any other capacity hereunder, be liable under or in connection with this Indenture for indirect, special, incidental, punitive or consequential losses or damages of any kind whatsoever, including but not limited to lost profits, whether or not foreseeable, even if the Trustee has been advised of the possibility thereof and regardless of the form of action in which such damages are sought. The Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, strikes, work stoppages, nuclear or natural catastrophes, acts of God; earthquakes; fire; flood; terrorism; wars and other military disturbances; sabotage; epidemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communication services; accidents; labor disputes; acts of civil or military authority and governmental action. The provisions of this Section shall survive satisfaction and discharge or the termination for any reason of this Indenture and the resignation or removal of the Trustee.

SECTION 7.15 Collateral Agent.

The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Collateral Agent as if the Collateral Agent were named as the Trustee herein and the Security Documents were named as this Indenture herein. For the avoidance of doubt, any reference to negligence with reference to the Trustee shall be changed to gross negligence when interpreting such provisions with reference to the Collateral Agent.

SECTION 7.16 Co-Trustees; Separate Trustee; Collateral Agent.

At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Collateral may at the time be located, the Issuer, the Collateral Agent and the Trustee shall have power to appoint, and, upon the written request of (i) the Trustee or the Collateral Agent or (ii) the Holders of at least 25% of the outstanding principal amount at maturity of the Notes, the Issuer shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, or to act as separate trustee, co-collateral agent or sub-collateral agent, jointly with the Collateral Agent, or separate collateral agent of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section 7.16. If the Issuer does not join in such appointment within 15 days after the receipt by the Issuer of a request so to do, or in case an Event of Default has occurred and is continuing, the Trustee or the Collateral Agent alone shall have power to make such appointment.

Should any written instrument from the Issuer be requested by any co-trustee or separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request of such co-trustee or separate trustee or separate collateral agent, be executed, acknowledged and delivered by the Issuer.

Any co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent shall agree in writing to be and shall be subject to the provisions of the applicable Security Documents as if it were the Trustee or the Collateral Agent, as applicable, thereunder (and the Trustee and the Collateral Agent, as applicable, shall continue to be so subject).

Every co-trustee or separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(a) The Notes shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee or the Collateral Agent, as applicable, hereunder or any Security Document, shall be exercised solely, by the Trustee or the Collateral Agent, as applicable.

(b) The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee or the Collateral Agent in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee and the Collateral Agent or by the Trustee and such co-trustee or separate trustee jointly, or by the Collateral Agent and such co-collateral agent, sub-collateral agent or separate collateral agent jointly as shall be provided in the instrument appointing such co-trustee, separate trustee or separate collateral agent, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee or the Collateral Agent, as applicable, shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent.

(c) The Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Issuer evidenced by a Board Resolution, may accept the resignation of or remove any co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent appointed under this Section 7.16, and, in case an Event of Default has occurred and is continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent without the concurrence of the Issuer. Upon the written request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent so resigned or removed may be appointed in the manner provided in this Section 7.16.

(d) No co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent hereunder shall be liable by reason of any act or omission of the Trustee, the Collateral Agent, or any other such trustee, co-trustee, separate trustee, co-collateral agent, sub-collateral agent or separate collateral agent hereunder.

(e) Neither the Trustee nor the Collateral Agent shall be liable by reason of any act or omission of any co-trustee, separate trustee, co-collateral agent, sub-collateral agent or separate collateral agent.

(f) Any act of Holders delivered to the Trustee or the Collateral Agent shall be deemed to have been delivered to each such co-trustee, separate trustee or co-collateral agent, sub-collateral agent or separate collateral agent, as the case may be.

SECTION 7.17 Appointment and Authorization of Wells Fargo Bank, National Association, as Collateral Agent.

(a) Wells Fargo Bank, National Association is hereby designated and appointed as the initial Collateral Agent of the Holders under

the Security Documents, and is hereby authorized and directed as the Collateral Agent for such Holders to execute and enter into each of the Security Documents and all other instruments relating to the Security Documents (including without limitation, the Intercreditor Agreement) and (i) to take action and exercise such powers as are expressly required or permitted hereunder and under the Security Documents and all instruments relating hereto and thereto and (ii) to exercise such powers and perform such duties as are in each case, expressly delegated to the Collateral Agent by the terms hereof and thereof together with such other powers as are reasonably incidental hereto and thereto.

(b) Notwithstanding any provision to the contrary elsewhere in this Indenture or the Security Documents, the Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein or therein or any fiduciary relationship with any Holder, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture or any Security Document or otherwise exist against the Collateral Agent.

(c) The Collateral Agent may consult with counsel of its selection and the advice or opinion of such counsel as to matters of law shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder or under the Security Documents in good faith and in accordance with the advice or opinion of such counsel.

ARTICLE VIII

LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.1 Option To Effect Legal Defeasance or Covenant Defeasance.

The Issuer may, at the option of its Board of Directors evidenced by a Board Resolution set forth in an Officers' Certificate, at any time, elect to have either Section 8.2 or 8.3 hereof applied to all outstanding Notes upon compliance with the conditions set forth below in this Article VIII.

SECTION 8.2 Legal Defeasance.

Upon the Issuer's exercise under Section 8.1 hereof of the option applicable to this Section 8.2, the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.4 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, *"legal defeasance")*. For this purpose, legal defeasance means that the Issuer shall be deemed to have paid and discharged the entire Debt represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.5 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all of its other obligations under such Notes and this Indenture (and the Trustee, on written demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of the Issuer of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest, if any, on such Notes when such payments are due from the trust referred to in Section 8.4(1); (b) the Issuer's obligations with respect to such Notes under Sections 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.10 and 4.2 hereof; (c) the rights, powers, trusts, benefits and immunities of the Trustee, including without limitation thereunder, under Section 7.8, 8.5 and 8.7 hereof and the Issuer's obligations in connection therewith; (d) the Issuer's rights pursuant to Section 3.7; and (e) the provisions of this Article VIII. Subject to compliance with this Article VIII, the Issuer may exercise its option under this Section 8.2 notwithstanding the prior exercise of its option under Section 8.3 hereof.

SECTION 8.3 Covenant Defeasance.

Upon the Issuer's exercise under Section 8.1 hereof of the option applicable to this Section 8.3, the Issuer shall, subject to the satisfaction of the conditions set forth in Section 8.4 hereof, be released from its obligations under the covenants contained in Sections 4.3, 4.4, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.14, 4.15, 4.18, 4.19 and 5.1 hereof with respect to the outstanding Notes on and after the date the conditions set forth below are satisfied (hereinafter, *"covenant defeasance"* and, together with legal defeasance, *"defeasance"),* and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, covenant defeasance means that, with respect to the outstanding Notes, the Issuer or any of its Subsidiaries may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.1 hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.1 hereof of the option applicable to this Section 8.3, subject to the satisfaction of the conditions set forth in Section 8.4 hereof, Sections 6.1(3), (4), (5), (6), (7) and (9) hereof shall not constitute Events of Default.

SECTION 8.4 Conditions to Legal Defeasance or Covenant Defeasance.

The following shall be the conditions to the application of either Section 8.2 or 8.3 hereof to the outstanding Notes:

In order to exercise either legal defeasance or covenant defeasance:

(1) the Issuer must irrevocably have deposited or caused to be deposited with the Trustee as trust funds in trust for the

purpose of making the following payments, specifically pledged as security for, and dedicated solely to the benefits of the Holders of such Notes: (A) money in an amount, or (B) U.S. government obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than the due date of any payment, money in an amount or (C) a combination thereof, in each case sufficient without reinvestment, in the opinion of a nationally recognized firm of independent public accountants or investment bank expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee to pay and discharge, the entire indebtedness in respect of the principal of and premium, if any, and interest on such Notes on the Stated Maturity thereof or (if the Issuer has made irrevocable arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer) the redemption date thereof, as the case may be, in accordance with the terms of this Indenture and such Notes;

(2) in the case of legal defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel stating that (A) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Indenture, there has been a change in the applicable United States federal income tax law, in either case (A) or (B) to the effect that, and based thereon such opinion shall confirm that, the Holders of such Notes will not recognize gain or loss for United States federal income tax purposes as a result of the deposit, defeasance and discharge to be effected with respect to such Notes and will be subject to United States federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit, defeasance and discharge were not to occur;

(3) in the case of covenant defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of such outstanding Notes will not recognize gain or loss for United States federal income tax purposes as a result of the deposit and covenant defeasance to be effected with respect to such Notes and will be subject to United States federal income tax on the same amount, in the same manner and at the same times as would be the case if such deposit and covenant defeasance were not to occur;

(4) no Default or Event of Default with respect to the outstanding Notes shall have occurred and be continuing at the time of such deposit after giving effect thereto (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the grant of any Lien to secure such borrowing);

(5) [Reserved];

(6) such legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or material instrument (other than this Indenture) to which the Issuer is a party or by which the Issuer is bound; and

(7) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent with respect to such legal defeasance or covenant defeasance have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by clause (2) above with respect to a legal defeasance need not to be delivered if all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable, or (y) will become due and payable at Stated Maturity within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

SECTION 8.5 Deposited Money and Government Securities To Be Held in Trust; Other Miscellaneous Provisions.

Subject to Section 8.6 hereof, all money and non-callable U.S. government obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.5, the *"Trustee")* pursuant to Section 8.4 hereof in respect of the outstanding Notes shall be held in trust, shall not be invested, and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer or any Subsidiary acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable U.S. government obligations deposited pursuant to Section 8.4 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article VIII to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuer from time to time upon the written request of the Issuer and be relieved of all liability with respect to any money or non-callable U.S. government obligations held by it as provided in Section 8.4 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.4(1) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent legal defeasance or covenant defeasance.

SECTION 8.6 Repayment to Issuer.

Subject to applicable unclaimed property laws, any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of, premium, if any, or interest, if any, on any Note and remaining unclaimed for one year after such principal and premium, if any, or interest has become due and payable shall be paid to the Issuer on its written request or (if then held by the

Issuer) shall be discharged from such trust; and the Holder of such Note shall thereafter, as an unsecured general creditor, look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, shall thereupon cease; *provided, however,* that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Issuer cause to be published once, in *The New York Times* and *The Wall Street Journal* (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such notification or publication, any unclaimed balance of such money then remaining shall be repaid to the Issuer.

SECTION 8.7 Reinstatement.

If the Trustee or Paying Agent is unable to apply any United States dollars or non-callable U.S. government obligations in accordance with Section 8.2 or 8.3 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations of the Issuer under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.2 or 8.3 hereof until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.2 or 8.3 hereof, as the case may be; *provided, however,* that, if the Issuer makes any payment of principal of, premium, if any, or interest on any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

SECTION 8.8 Discharge.

The Issuer and the Guarantors may terminate the obligations under this Indenture and the Security Documents (a *"Discharge")* when:

(1) either (A) all Notes theretofore authenticated and delivered have been delivered to the Trustee for cancellation, or (B) all such Notes not theretofore delivered to the Trustee for cancellation (i) have become due and payable or (ii) will become due and payable within one year or are to be called for redemption within one year under irrevocable arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer, and the Issuer has irrevocably deposited or caused to be deposited with the Trustee funds in an amount sufficient to pay and discharge the entire indebtedness on the Notes, not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest to the Stated Maturity or date of redemption;

(2) the Issuer or any Guarantor has paid or caused to be paid all other sums then due and payable under this Indenture by the Issuer;

(3) the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument (other than this Indenture) to which the Issuer or any Guarantor is a party or by which the Issuer or any Guarantor is bound;

(4) the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be; and

(5) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent under this Indenture relating to the Discharge have been complied with.

The Company may elect, at its option, to have its obligations discharged with respect to the outstanding Notes. Such legal defeasance means that the Company will be deemed to have paid and discharged the entire indebtedness represented by the outstanding Notes, except for:

(1) the rights of Holders of such Notes to receive payments in respect of the principal of and any premium and interest on such Notes when payments are due,

(2) the Issuer's obligations with respect to such Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust,

(3) the rights, powers, trusts, duties and immunities of the Trustee and the Issuer's obligations related thereto,

(4) the Issuer's rights of optional redemption, and

(5) the defeasance provisions of this Indenture.

ARTICLE IX

AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.1 Without Consent of Holders of the Notes.

Notwithstanding anything contained in Section 9.2 hereof, without the consent of any Holders, the Issuer, the Guarantors, the Trustee

and the Collateral Agent, as applicable, at any time and from time to time, may enter into one or more indentures supplemental to this Indenture, or amend the Guarantees and the Security Documents for any of the following purposes:

(1) to evidence the succession of another Person to the Issuer or any Guarantor and the assumption by any such successor of the covenants of the Issuer or Guarantor in this Indenture, the Guarantees and the Security Documents and in the Notes;

(2) to add to the covenants of the Issuer or the Guarantors for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer or the Guarantors;

(3) to add additional Events of Default;

(4) to provide for uncertificated Notes in addition to or in place of the Certificated Notes;

(5) to evidence and provide for the acceptance of appointment under this Indenture and the Security Documents by a successor Trustee or Collateral Agent;

(6) to provide for or confirm the issuance of Additional Notes in accordance with the terms of this Indenture;

(7) to add to the Collateral securing the Notes, to add a Guarantor or to release a Guarantor in accordance with this Indenture;

(8) to cure any ambiguity, defect, omission, mistake or inconsistency;

(9) to make any other provisions with respect to matters or questions arising under this Indenture, *provided* that such actions pursuant to this clause shall not materially adversely affect the interests of the Holders, as determined in good faith by the Board of Directors of the Issuer;

(10) to conform the text of this Indenture, the Security Documents or the Notes to any provision of the "Description of the Notes" in the Offering Memorandum to the extent that the Trustee has received an Officers' Certificate stating that such text constitutes an unintended conflict with the description of the corresponding provision in the "Description of the Notes" and that such provision the "Description of the Notes" was intended to be a verbatim recitation of a provision of this Indenture, the Security Documents or the Notes;

(11) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Collateral Agent for its benefit and the benefit of the Trustee on behalf of the Holders of the Notes, as additional security for the payment and performance of all or any portion of the Note Obligations under this Indenture and the Notes, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Collateral Agent pursuant to this Indenture, any of the Security Documents or otherwise;

(12) to provide for the release of Collateral from the Lien of this Indenture and the Security Documents when permitted or required by the Security Documents, the Intercreditor Agreement or this Indenture;

(13) to secure any Permitted Additional Pari Passu Obligations under the Security Documents and to appropriately include the same in the Intercreditor Agreement; or

(14) to appropriately include Debt permitted by this Indenture to be secured by Collateral (including Debt permitted by clause (i) of the definition of "Permitted Debt") in the Intercreditor Agreement.

SECTION 9.2 With Consent of Holders of Notes.

With the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, the Issuer, the Guarantors and the Trustee may enter into an indenture or indentures supplemental to this Indenture or amend the Guarantees, the Security Documents and the Intercreditor Agreement (together with the other consents required thereby) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or the Notes or of modifying in any manner the rights of the Holders of the Notes under this Indenture, including the definitions herein; *provided, however,* that no such supplemental indenture or amendment shall, without the consent of the Holder of each outstanding Note affected thereby:

(1) change the Stated Maturity of any Note or of any installment of interest on any Note, or reduce the amount payable in respect of the principal thereof or the rate of interest thereon or any premium payable thereon, or reduce the amount that would be due and payable on acceleration of the maturity thereof, or change the place of payment where, or the coin or currency in which, any Note or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof, or change the date on which any Notes may be subject to redemption or reduce the redemption price therefor,

(2) reduce the percentage in aggregate principal amount of the outstanding Notes, the consent of whose Holders is required for any such supplemental indenture or amendment, or the consent of whose Holders is required for any waiver (of

compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture,

(3) modify the obligations of the Issuer to make Offers to Purchase upon a Change of Control or from the Excess Proceeds of Asset Sales if such modification was done after the occurrence of such Change of Control or Asset Sale, as applicable,

(4) subordinate, in right of payment, the Notes to any other Debt of the Issuer,

(5) modify any of the provisions of this paragraph or provisions relating to waiver of defaults or certain covenants, except to increase any such percentage required for such actions or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby, or

(6) release any Guarantees required to be maintained under this Indenture (other than in accordance with the terms of this Indenture).

In addition, any amendment to, or waiver of, the provisions of this Indenture or any Security Document that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes or otherwise modify the Intercreditor Agreement in any manner adverse in any material respect to the Holders of the Notes will require the consent of the Holders of at least 662/4% in aggregate principal amount of the Notes then outstanding.

The Holders of not less than a majority in aggregate principal amount of the outstanding Notes may on behalf of the Holders of all the Notes waive any past default under this Indenture and its consequences, except a default:

(1) in any payment in respect of the principal of (or premium, if any) or interest on any Notes (including any Note which is required to have been purchased pursuant to an Offer to Purchase which has been made by the Issuer), or

(2) in respect of a covenant or provision hereof which under this Indenture cannot be modified or amended without the consent of the Holder of each outstanding Note affected (or cannot be modified or amended without the consent of Holders of at least 662/3% in aggregate principal amount of the Notes).

It shall not be necessary for the consent of the Holders under this Section 9.2 to approve the particular form of any proposed amendment, supplement or waiver. It shall be sufficient if such consent approves the substance thereof. A consent to any amendment, supplement or waiver under this Indenture by any Holder given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

SECTION 9.3 [Reserved].

SECTION 9.4 Revocation and Effect of Consents.

Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder and every subsequent Holder of that Note or portion of the Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on the Note. However, any such Holder or subsequent Holder may revoke the consent as to such Holder's Note or portion of the Note if the Trustee receives the notice of revocation before the date on which the Trustee receives an Officers' Certificate from the Company certifying that the requisite principal amount of Notes have consented. When an amendment, supplement or waiver becomes effective in accordance with its terms, it thereafter binds every Holder.

The Issuer may, but shall not be obligated to, fix a record date for determining which Holders consent to such amendment, supplement or waiver. If the Issuer fix a record date, the record date shall be fixed at (i) the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished for the Trustee prior to such solicitation pursuant to Section 2.5 hereof or (ii) such other date as the Issuer shall designate.

SECTION 9.5 Notation on or Exchange of Notes.

The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

After any amendment, supplement or waiver becomes effective, the Issuer shall deliver to Holders a notice briefly describing such amendment, supplement or waiver. The failure to give such notice shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.6 Trustee To Sign Amendments, Etc.

The Trustee shall sign any amended or supplemental indenture authorized pursuant to this Article IX if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Issuer and the Guarantors, if any, may not sign an amendment or supplemental indenture until their respective Boards of Directors approve it. In signing or refusing to sign any amendment or supplemental indenture the Trustee shall be given and (subject to Section 7.1 hereof) shall be fully protected in relying upon an Officers' Certificate and an Opinion of Counsel stating that the execution of such amendment or supplemental indenture is authorized or permitted by this Indenture, that all conditions precedent thereto have been met or waived, that such amendment or supplemental indenture is not inconsistent herewith, and that it will be legal, valid and binding upon the Issuer, enforceable against it in accordance with its terms, except as limited by bankruptcy, insolvency, moratorium, or other laws relating to or affecting the enforcement of creditors' rights generally or general principles of equity. Notwithstanding the foregoing, no Opinion of Counsel shall be required in connection with the addition of a Guarantor under this Indenture upon execution and delivery by such Guarantor and the Trustee of a supplemental indenture to this Indenture.

ARTICLE X

SECURITY

SECTION 10.1 Security Documents; Additional Collateral.

(a) Security Documents. In order to secure the due and punctual payment of the Note Obligations and any Permitted Additional Pari Passu Obligations, in the case of the Issuer, the Guarantors, the Collateral Agent and the other parties thereto have simultaneously with the execution of this Indenture entered or, in accordance with the provisions of Section 4.18, Section 4.20 and this Article X, will enter into the Security Documents.

(b) Intercreditor Agreement. The security interests in the Collateral securing the Notes Obligations will be, pursuant to the Intercreditor Agreement, second in priority to any and all security interests at any time granted to secure the Credit Agreement Obligations and will also be subject to all other Permitted Liens. The Intercreditor Agreement defines the relative rights of holders of Note Liens and holders of Credit Agreement Liens. In the event of any conflict or inconsistency among the provisions of this Indenture or the Security Agreement, on the one hand, and the Intercreditor Agreement, on the other hand, the provisions of the Intercreditor Agreement shall govern and control.

(c) Additional Collateral. If the Company or a Guarantor acquires property that is not automatically subject to a perfected security interest or Lien under the Security Documents and such property would be of the type that would constitute Collateral, or a Subsidiary becomes a Guarantor, then, subject to exceptions set forth in the Senior Secured Note Documents, the Company or Guarantor, as applicable, will provide perfected security interests in and Liens on such property (or, in the case of a new Guarantor, all of its assets constituting Collateral) in favor of the Collateral Agent for its benefit and the benefit of the Trustee and the Holders of the Notes and any Permitted Additional Pan Passu Obligations and execute and deliver such mortgages, deeds of trust security instruments, financing statements, certain joinder agreements, opinions of counsel and certificates in respect thereof to the extent required by the Senior Secured Note Documents and thereupon all provisions of the Indenture relating to the Collateral shall be deemed to relate to such after-acquired Collateral to the same extent and with the same force and effect. Additionally, if the Company or any Guarantor creates any additional security interest upon any property or asset that would constitute Collateral to secure any Credit Agreement Obligations after the Issue Date, including with respect to any Real Property (other than Excluded Real Property), it must, subject to the terms of this Indenture, grant a second-priority security interest and obtain all related deliverables as those delivered to the Credit Agreement Collateral Agent (subject to Permitted Liens, including the first-priority liens that secure the Consolidated First Lien Debt) upon such property as security for the Note Obligations and any Permitted Additional Pari Passu Obligations. If granting a security interest in such property requires the consent of a third party (other than Affiliates of the Company), the Company and the applicable Guarantor may not be required to obtain such consent with respect to the second-priority security interest for the benefit of the Collateral Agent on behalf of the Holders of the Notes and each other secured party under the Security Documents to the extent such consent is not required to be obtained under the terms of the Security Documents. If any required third party consent is not obtained, the Company or applicable Guarantor will not be required to provide such security interest.

SECTION 10.2 Recording, Registration and Opinions.

The Issuer and the Guarantors shall make all filings (including filings of continuation statements and amendments to financing statements that may be necessary to continue the effectiveness of such financing statements) or recordings and take all other actions as are necessary or required by the Security Documents to maintain (at the sole cost and expense of the Issuer) the security interest created by the Security Documents in the Collateral (other than with respect to any Collateral the security interest in which is not required to be perfected under the Security Documents) as a perfected security interest with the priority required by the Security Documents subject only to Permitted Collateral Liens. The Issuer and the Guarantors shall furnish to the Trustee and the Collateral Agent at least thirty (30) days prior to the anniversary of the Issue Date in each year an Opinion of Counsel, dated as of such date, either (i) (x) stating substantially to the effect that such action has been taken with respect to the recording, filing, re-recording, and refiling of this Indenture or the Security Documents, as applicable, as are necessary to maintain the perfected Liens of the applicable Security Documents securing the Note Obligations under applicable law to the extent required by the Security Documents other than any action as described therein to be taken, and (y) stating substantially to the effect that on the date of such Opinion of Counsel, all financing statements, financing statement amendments and continuation statements have been or will be executed and filed that are necessary, as of such date or promptly thereafter and during the succeeding 12 months, fully to maintain the perfection (to the extent required by the Security Documents) of the security interests of the Collateral Agent securing the Note Obligations thereunder and under the Security Documents with respect to the Collateral; *provided* that if there is a required filing of a continuation statement or other instrument within such 12-month period and such continuation statement or amendment is not effective if filed at the time of the Opinion of Counsel, such Opinion of Counsel may so state and in that case the Issuer

and the Guarantors shall cause a continuation statement or amendment to be timely filed so as to maintain such Liens and security interests securing Note Obligations or (ii) stating that no such action is necessary to maintain such Liens or security interests.

SECTION 10.3 Releases of Collateral.

The Note Liens will, automatically and without the need for any further action by any Person be released:

(a) in whole or in part, as applicable, as to all or any portion of property subject to such Note Liens which has been taken by eminent domain, condemnation or other similar circumstances;

(b) in whole, upon:

(i) payment in full of the principal of, accrued and unpaid interest, including additional interest, and premium, if any, on the Notes; or

(ii) satisfaction and discharge of this Indenture under Article VIII hereof;

(iii) a legal defeasance or covenant defeasance of this Indenture under Article VIII hereof;

(c) in part, as to any property constituting Collateral that (i) is sold, transferred or otherwise disposed of by the Issuer or any Guarantor (other than to the Issuer or a Guarantor) in a transaction permitted by this Indenture and the Security Documents, at the time of such transfer or disposition, (ii) is owned or at any time acquired by a Guarantor that has been released from its Note Guarantee concurrently with the release of such Note Guarantee or (iii) at any time becomes an Excluded Asset pursuant to a transaction permitted by this Indenture;

(d) pursuant to Article a as to property that constitutes less than all or substantially all of the Collateral, with the consent of Holders of at least a majority in aggregate principal amount of the Notes then outstanding (or, in the case of a release of all or substantially all of the Collateral, with the consent of the Holders of at least sixty-six and two-thirds percent ($66^{2}/_{3}\%$) in aggregate principal amount of the Notes then outstanding); and

(e) in part, in accordance with the applicable provisions of the Security Documents and the Intercreditor Agreement (it being understood that the Note Liens will only be released to the extent the corresponding Credit Agreement Liens are released).

A release of Collateral pursuant to the provisions of this Indenture and the Security Documents shall not be deemed to impair the security under the Note Liens.

Upon compliance by the Issuer or any Guarantor, as the case may be, with the conditions precedent required by this Indenture and the Security Documents, the Trustee or the Collateral Agent shall promptly cause to be released and reconveyed to the Issuer or the Guarantor, as the case may be, the released Collateral. Prior to each proposed release, the Issuer and each Guarantor will furnish to the Trustee and the Collateral Agent all documents required by this Indenture and the Security Documents.

SECTION 10.4 Form and Sufficiency of Release.

In the event that the Issuer or any Guarantor has sold, exchanged, or otherwise disposed of or proposes to sell, exchange or otherwise dispose of any portion of the Collateral that, under the terms of this Indenture may be sold, exchanged or otherwise disposed of by the Issuer or any Guarantor, and the Issuer or such Guarantor requests the Trustee or the Collateral Agent to furnish a written disclaimer, release or quitclaim of any interest in such property under this Indenture, the applicable Guarantee and the Security Documents, upon receipt of an Officers' Certificate and an Opinion of Counsel to the effect that such release complies with Section 10.3 and specifying the provision in Section 10.3 pursuant to which such release is being made (upon which the Trustee and the Collateral Agent may exclusively and conclusively rely), the Trustee shall, at the sole expense of the Issuer, execute, acknowledge and deliver to the Issuer or such Guarantor (or instruct the Collateral Agent to do the same) such an instrument in the form provided by the Issuer, and providing for release without recourse to or warranty by the Trustee or the Collateral Agent and shall take such other action as the Issuer or such Guarantor may reasonably request and as necessary to effect such release. Before executing, acknowledging or delivering any such instrument, the Trustee shall be furnished with an Officers' Certificate (on which the Trustee shall be entitled to conclusively and exclusively rely) stating that such release is authorized and permitted by the terms hereof, the Security Documents and the Intercreditor Agreement and that all conditions precedent with respect to such release under the terms hereof and under the Security Documents and the Intercreditor Agreement have been complied with.

SECTION 10.5 Possession and Use of Collateral.

Subject to the provisions of the Security Documents, the Issuer and the Guarantors shall have the right to remain in possession and retain exclusive control of and to exercise all rights with respect to the Collateral (other than monies or U.S. government obligations deposited pursuant to Article VIII, and other than as set forth in the Security Documents and this Indenture), to operate, manage, develop, lease, use, consume and enjoy the Collateral (other than monies and U.S. government obligations deposited pursuant to Article VIII and other than as set forth in the Security Documents and this Indenture), to alter or repair any Collateral so long as such alterations and repairs do not impair the Lien of the Security Documents thereon, and to collect, receive, use, invest and dispose of the reversions, remainders, interest, rents, lease

payments, issues, profits, revenues, proceeds and other income thereof.

SECTION 10.6 Purchaser Protected.

No purchaser or grantee of any property or rights purporting to be released shall be bound to ascertain the authority of the Trustee or the Collateral Agent to execute the release or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority so long as the conditions set forth in Section 10.4 have been satisfied.

SECTION 10.7 Authorization of Actions To Be Taken by the Collateral Agent Under the Security Documents.

The Holders of Notes agree that the Collateral Agent shall be entitled to the rights, privileges, protections, immunities, indemnities and benefits provided to the Collateral Agent by the Security Documents. Furthermore, each Holder of a Note, by accepting such Note, consents to the terms of (including the provisions providing for the possession, use, release and foreclosure of Collateral) and authorizes and directs the Trustee and the Collateral Agent to enter into and perform the Security Documents (including without limitation the Intercreditor Agreement and any subsequent Intercreditor agreement entered into after the Discharge of Credit Agreement Obligations, *provided* that such Intercreditor agreement contains substantially similar terms to the Intercreditor Agreement in effect prior to the Discharge of the Credit Agreement Obligations), as may be in effect or may be amended from time to time in accordance with their terms and this Indenture and the Intercreditor Agreement, in each of its capacities thereunder.

SECTION 10.8 Authorization of Receipt of Funds by the Trustee Under the Security Documents.

(a) The Trustee and the Collateral Agent are each authorized to receive any funds for the benefit of Holders distributed under the Security Documents to the Trustee or the Collateral Agent, to apply such funds as provided in Section 6.10.

(b) Subject to the provisions of Section 7.1, Section 7.2, and the Security Documents, the Trustee may, in its sole discretion and without the consent of the Holders, direct in writing, on behalf of the Holders, the Collateral Agent to take all actions it deems necessary or appropriate in order to:

(1) foreclose upon or otherwise enforce any or all of the Liens on the Collateral securing the Note Obligations;

(2) enforce any of the terms of the Security Documents to which the Collateral Agent or Trustee is a party; or

(3) collect and receive payment of any and all Note Obligations.

(c) Subject to the Intercreditor Agreement, the Trustee is authorized and empowered to institute and maintain, or direct the Collateral Agent to institute and maintain, such suits and proceedings as it may deem expedient to protect or enforce the Note Liens or the Security Documents to which the Collateral Agent or Trustee is a party or to prevent any impairment of Collateral by any acts that may be unlawful or in violation of the Security Documents to which the Collateral Agent or Trustee is a party or this Indenture, and such suits and proceedings as the Trustee or the Collateral Agent may deem expedient to preserve or protect its interests and the interests of the Holders of Notes in the Collateral, including power to institute and maintain suits or proceedings to restrain the enforcement of or compliance with any legislative or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid if the enforcement of, or compliance with, such enactment, rule or order would impair the security interest hereunder or be prejudicial to the interests of holders, the Trustee or the Collateral Agent.

SECTION 10.9 Powers Exercisable by Receiver or Collateral Agent.

In case the Collateral shall be in the possession of a receiver or trustee, lawfully appointed, the powers conferred in this Article X upon the Issuer or any Guarantor, as applicable, with respect to the release, sale or other disposition of such Collateral may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of the Issuer or any Guarantor, as applicable, or of any officer or officers thereof required by the provisions of this Article X; and if the Trustee or the Collateral Agent shall be in the possession of the Collateral under any provision of this Indenture or the Security Documents, then such powers may be exercised by the Trustee or the Collateral Agent, as the case may be.

ARTICLE XI

[RESERVED]

ARTICLE XII

NOTE GUARANTEES

SECTION 12.1 Note Guarantees.

(a) Each Guarantor, if any, hereby jointly and severally, unconditionally and irrevocably guarantees the Notes and Obligations of the Issuer hereunder and thereunder, and guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee on

behalf of such Holder, that: (i) the principal of and premium, if any and interest on the Notes shall be paid in full when due, whether at Stated Maturity, by acceleration, call for redemption or otherwise (including, without limitation, the amount that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code), together with interest on the overdue principal, if any, and interest on any overdue interest, to the extent lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder shall be paid in full or performed, all in accordance with the terms hereof and thereof; and (ii) in case of any extension of time of payment or renewal of any Notes or of any such other Obligations, the same shall be paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise. Each of the Note Guarantees shall be a guarantee of payment and not of collection.

(b) Each Guarantor hereby agrees that its Obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a Guarantor.

(c) Each Guarantor hereby waives the benefits of diligence, presentment, demand for payment, filing of claims with a court in the event of insolvency or bankruptcy of either of the Issuer, any right to require a proceeding first against the Issuer or any other Person, protest, notice and all demands whatsoever and covenants that the Note Guarantee of such Guarantor shall not be discharged as to any Note except by complete performance of the Obligations contained in such Note and such Note Guarantee or as provided for in this Indenture. Each of the Guarantors hereby agrees that, in the event of a default in payment of principal or premium, if any, or interest on such Note, whether at its Stated Maturity, by acceleration, call for redemption, purchase or otherwise, legal proceedings may be instituted by the Trustee on behalf of, or by, the Holder of such Note, subject to the terms and conditions set forth in this Indenture, directly against each of the Guarantors to enforce such Guarantor's Note Guarantee without first proceeding against the Issuer or any other Guarantor.

(d) If any Holder or the Trustee is required by any court or otherwise to return to the Issuer or any Guarantor, or any custodian, trustee, liquidator or other similar official acting in relation to the Issuer or any Guarantor, any amount paid by any of them to the Trustee or such Holder, the Note Guarantee of each of the Guarantors, to the extent theretofore discharged, shall be reinstated in full force and effect. This paragraph (d) shall remain effective notwithstanding any contrary action which may be taken by the Trustee or any Holder in reliance upon such amount required to be returned. This paragraph (d) shall survive the termination of this Indenture.

(e) Each Guarantor further agrees that, as between each Guarantor, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the Obligations guaranteed hereby may be accelerated as provided in Article VI hereof for the purposes of the Note Guarantee of such Guarantor, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the Obligations guaranteed hereby, and (y) in the event of any acceleration of such Obligations as provided in Article VI hereof, such Obligations (whether or not due and payable) shall forthwith become due and payable by each Guarantor for the purpose of the Note Guarantee of such Guarantor.

SECTION 12.2 Execution and Delivery of Note Guarantee.

To evidence its Note Guarantee set forth in Section 12.1, each Guarantor agrees that a notation of such Note Guarantee substantially in the form attached hereto as Exhibit B shall be endorsed on each Note authenticated and delivered by the Trustee. Such notation of Note Guarantee shall be signed on behalf of such Guarantor by an officer of such Guarantor (or, if an officer is not available, by a board member or director) on behalf of such Guarantor by manual or facsimile signature. In case the officer, board member or director or member of such Guarantor who shall have signed such notation of Note Guarantee shall cease to be such Officer, board member, director or member before the Note on which such Note Guarantee is endorsed shall have been authenticated and delivered by the Trustee, such Note nevertheless may be authenticated and delivered as though the Person who signed such notation of Note Guarantee had not ceased to be such officer, board member, director or member.

Each Guarantor agrees that its Note Guarantee set forth in Section 12.1 shall remain in full force and effect and apply to all the Notes notwithstanding any failure to endorse on each Note a notation of such Note Guarantee. The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of any Note Guarantee set forth in this Indenture on behalf of the Guarantors.

The failure to endorse a Note Guarantee shall not affect or impair the validity thereof.

SECTION 12.3 Severability.

In case any provision of any Note Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 12.4 Limitation of Guarantors' Liability.

Each Guarantor, if any, and by its acceptance hereof each Holder confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar federal or state law or the provisions of its local law relating to fraudulent transfer or conveyance. To effectuate the foregoing intention, the Trustee, the Holders and Subsidiary Guarantors hereby irrevocably agree that the obligations of such Guarantor under its Note Guarantee shall be limited to the maximum amount that will not, after

giving effect to all other contingent and fixed liabilities of such Guarantor and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee, result in the obligations of such Guarantor under its Note Guarantee constituting a fraudulent transfer or conveyance.

SECTION 12.5 Guarantors May Consolidate, Etc., on Certain Terms.

A Guarantor may not sell or otherwise dispose of all or substantially all of its assets, or consolidate with or merge with or into (whether or not such Guarantor is the surviving Person) another Person, other than the Issuer or any Guarantor, unless:

(1) immediately after giving effect to such transactions, no Default or Event of Default exists;

(2) either:

(A) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if other than such Guarantor) assumes all the obligations of that Guarantor under this Indenture pursuant to a supplemental indenture; or

(B) the Net Cash Proceeds of any such sale or other disposition of a Guarantor are applied in accordance with the provisions of Section 4.10 hereof; and

(3) the Guarantor delivers, or causes to be delivered, to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, conveyance, assignment, transfer, lease or other disposition complies with the requirements of this Indenture and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms.

In case of any such consolidation, merger, sale or conveyance and upon the assumption by the successor Person, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the Note Guarantee and the due and punctual performance of all of the covenants and conditions of this Indenture to be performed by the Guarantor, such successor Person shall succeed to and be substituted for the Guarantor with the same effect as if it had been named herein as a Guarantor. All the Note Guarantees so issued shall in all respects have the same legal rank and benefit under this Indenture as the Note Guarantees theretofore and thereafter issued in accordance with the terms of this Indenture as though all such Note Guarantees had been issued at the date of the execution hereof

Except as set forth in Articles IV and V hereof, and notwithstanding clauses (1) and (2) above, nothing contained in this Indenture or in any of the Notes shall prevent any consolidation or merger of a Guarantor with or into the Issuer or another Guarantor, or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Issuer or another Guarantor.

SECTION 12.6 Release of a Guarantor.

A Note Guarantee by a Guarantor will be automatically and unconditionally released upon:

(1) the sale, dissolution, disposition or other transfer of (x) the Capital Interests in such Guarantor in compliance with the terms of this Indenture following which such Guarantor ceases to be a Subsidiary of the Company or (y) all or substantially all the assets of the applicable Guarantor, in each case, to a Person that is not a Subsidiary of the Company or the Company if such sale, exchange, disposition or other transfer is made in compliance with this Indenture;

(2) upon the designation of such Guarantor as an Unrestricted Subsidiary in compliance with the provisions of Section 4.19; or

(3) in connection with a legal defeasance or covenant defeasance or Discharge of this Indenture.

Upon any release of a Guarantor from its Note Guarantee, such Guarantor shall also be automatically and unconditionally released from its obligations under the Security Documents, *provided* that the provisions of Section 10.4 are complied with.

SECTION 12.7 Benefits Acknowledged.

Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that its guarantee and waivers pursuant to its Note Guarantee are knowingly made in contemplation of such benefits.

SECTION 12.8 Future Guarantors.

Each Person that is required to become a Guarantor after the Issue Date pursuant to Section 4.18 shall promptly execute and deliver to the Trustee a supplemental indenture and a Note Guarantee in the form attached hereto as Exhibit B pursuant to which such Person shall become a Guarantor. Concurrently with the execution and delivery of such supplemental indenture, the Company shall deliver to the Trustee an Opinion of Counsel (upon which the Trustee shall be entitled to conclusively and exclusively rely) to the effect, subject to customary assumptions and qualifications, that such supplemental indenture has been duly authorized, executed and delivered by such Person and that, subject to the application of bankruptcy, insolvency, moratorium, fraudulent conveyance or transfer and other similar laws relating to

creditors' rights generally and to the principles of equity, whether considered in a proceeding at law or in equity, the Guarantee of such Guarantor is a valid and binding obligation of such Guarantor, enforceable against such Guarantor in accordance with its terms.

ARTICLE XIII
MISCELLANEOUS

SECTION 13.1 Notices.

Any notice or communication by the Issuer, any Guarantor or the Trustee to the others is duly given if in writing and delivered in Person or mailed by first class mail (registered or certified, return receipt requested), telecopier, other electronic means or overnight air courier guaranteeing next day delivery, to the others address:

If to the Issuer or any Guarantor:

RSI Home Products, Inc.
400 East Orangethorpe Avenue
Anaheim, California 92807
Facsimile: 949-274-8386
Attention: General Counsel

With a copy to:

O'Melveny & Myers LLP
7 Times Square
New York, New York 10036
Facsimile: 212-326-2061
Attention: Mark Easton and John-Paul Motley

If to the Trustee:

Wells Fargo Bank, National Association,
as Trustee
333 S. Grand Avenue,
Fifth Floor, Suite 5A, MAC E2064-05A,
Los Angeles, CA 90071,
Facsimile: 213-253-7598
Attention: RSI Corporate Trust Administrator

With a copy to:

Dorsey & Whitney LLP
51 West 52nd Street
New York NY 10019
Email: jutsen.mark@dorsey.com
Attention: Mark Jutsen

The Issuer, the Guarantors, if any, and the Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

Any notice or communication to a Holder shall be mailed by first class mail or by overnight air courier promising next Business Day delivery to its address shown on the register kept by the Registrar or, in the case of Notes held in book-entry form, deliver by electronic transmission. Any notice or communication shall also be so mailed to any Person described in TIA § 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

If a notice or communication is mailed or delivered in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it, except in the case of notices or communications given to the Trustee, which shall be effective only upon actual receipt.

If the Issuer mail a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Where this Indenture provides for notice of any event (including any notice of redemption) to any Holder of a Global Note (whether by mail or otherwise), such notice shall be sufficiently given if given to the Depositary for such Note (or its designee), according to the applicable procedures of such Depositary, if any, prescribed for the giving of such notice.

The Trustee agrees to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that, the Trustee shall have received an incumbency

certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced on or before delivery of any such instructions or directions whenever a person is to be added or deleted from the listing. If the party elects to give the Trustee e-mail, pdf or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling.

SECTION 13.2 Communication by Holders of Notes with Other Holders of Notes.

Holders may communicate pursuant to TIA § 312(b) with other Holders with respect to their rights under this Indenture, the Security Documents or the Notes. The Issuer, any Guarantor, the Trustee, the Registrar and anyone else shall have the protection of TIA § 312(c).

SECTION 13.3 Certificate and Opinion as to Conditions Precedent.

Upon any request or application by the Issuer to the Trustee to take any action under this Indenture, the Issuer shall furnish to the Trustee:

(a) an Officers' Certificate (which shall include the statements set forth in Section 13.4 hereof) stating that, in the opinion of the signers, all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel, other than with respect to the authentication by the Trustee of the Initial Notes on the date hereof and the execution of any supplemental indenture in connection with the addition of a Guarantor, (which shall include the statements set forth in Section 13.4 hereof) stating that, in the opinion of such counsel, all such conditions precedent have been satisfied.

SECTION 13.4 Statements Required in Certificate or Opinion.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

SECTION 13.5 Rules by Trustee and Agents.

The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.6 No Personal Liability of Directors, Officers, Employees and Stockholders.

No director, officer, employee, stockholder, general or limited partner or incorporator, past, present or future, of the Issuer, the Guarantors, if any, or any of its Subsidiaries, as such or in such capacity, shall have any personal liability for any Obligations of the Issuer or the Guarantors, if any, under the Notes, any Note Guarantee or this Indenture by reason of his, her or its status as such director, officer, employee, stockholder, general or limited partner or incorporator. By accepting a Note, each Holder waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

SECTION 13.7 Governing Law.

THE LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUE THIS INDENTURE, THE NOTES AND THE NOTE GUARANTEES, IF ANY. The parties to this Indenture each hereby irrevocably submits to the non-exclusive jurisdiction of any New York State or federal court sitting in the Borough of Manhattan in The City of New York in any action or proceeding arising out of or relating to the Notes, the Note Guarantees or this Indenture, and all such parties hereby irrevocably agree that all claims in respect of such action or proceeding may be heard and determined in such New York State or federal court and hereby irrevocably waive, to the fullest extent that they may legally do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES, THE NOTE GUARANTEES OR THE TRANSACTIONS CONTEMPLATED HEREBY.

SECTION 13.8 No Adverse Interpretation of Other Agreements.

This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or their Subsidiaries or of any

other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 13.9 Successors.

All agreements of the Issuer and the Guarantors, if any, in this Indenture and the Notes and the Note Guarantees, as applicable, shall bind their respective successors and assigns. All agreements of the Trustee in this Indenture shall bind its successors and assigns.

SECTION 13.10 Severability.

In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 13.11 Counterpart Originals.

The parties may sign any number of copies of this Indenture. Each signed copy shall be an original, but all of them together represent the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

SECTION 13.12 Table of Contents, Headings, Etc.

The Table of Contents, Cross-Reference Table and Headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 13.13 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the *"Act"* of Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 13.13.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to such officer the execution thereof. Where such execution is by a signer acting in a capacity other than such signer's individual capacity, such certificate or affidavit shall also constitute sufficient proof of such signer's authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Holder list maintained under Section 2.5 hereunder.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Note shall bind every future Holder of the same Note and the holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(e) If the Issuer shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Issuer may, at their option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Issuer shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of outstanding Notes have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the outstanding Notes shall be computed as of such record date; *provided* that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

SECTION 13.14 Intercreditor Agreement.

The Security Documents, the Notes, this Indenture, the Trustee, the Collateral Agent and the Holders are bound by the terms of the Intercreditor Agreement. In the event of a conflict between the terms of this Indenture and the terms of the Intercreditor Agreement, the terms of the Intercreditor Agreement shall control.

SECTION 13.15 Payment Date Other Than a Business Day.

If any payment with respect to any principal of, premium on, if any, or interest on any Note (including any payment to be made on any date fixed for redemption or purchase of any Note) is due on a day which is not a Business Day, then the payment need not be made on such date, but may be made on the next Business Day with the same force and effect as if made on such date, and no interest will accrue for the intervening period.

SECTION 13.16 U.S.A. Patriot Act.

The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the date first above written.

RSI HOME PRODUCTS, INC.

By: /s/ David R. Lowrie
Name: David R. Lowrie
Title: Executive Vice President - Administration, Chief Financial Officer, Treasurer and Assistant Secretary

RSI HOME PRODUCTS MANUFACTURING, INC.
RSI HOME PRODUCTS SALES, INC.
RSI HOME PRODUCTS MANAGEMENT, INC.

By: /s/ David R. Lowrie
Name: David R. Lowrie
Title: Executive Vice President - Administration, Chief Financial Officer, Treasurer and Assistant Secretary

RSI PROFESSIONAL CABINET SOLUTIONS

By: /s/ David R. Lowrie
Name: David R. Lowrie
Title: Chief Financial Officer and Treasurer

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity but solely as Trustee

By: /s/ Martin Reed
Name: Martin Reed
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity but solely as Collateral Agent

By: /s/ Martin Reed
Name: Martin Reed
Title: Vice President

FORM OF 6½% SENIOR SECURED SECOND LIEN NOTE
(Face of 6½% Senior Secured Second Lien Note)
6½% Senior Secured Second Lien Notes due 2023

[Global Notes Legend]

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, TO THE ISSUER OR THEIR AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUIRED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY OR SUCH OTHER REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY) ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFERS OF THIS GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO. OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE.

[Restricted Notes Legend]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION. THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS IN THE CASE OF RULE 144A NOTES: ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF, THE ORIGINAL ISSUE DATE OF THE ISSUANCE OF ANY ADDITIONAL NOTES AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY), IN THE CASE OF REGULATION S NOTES: 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE DATE ON WHICH THIS SECURITY (OR ANY PREDECESSOR OF SUCH SECURITY) WAS FIRST OFFERED TO PERSONS OTHER THAN DISTRIBUTORS (AS DEFINED IN RULE 902 OF REGULATION S) IN COMPLIANCE WITH REGULATION S, ONLY (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A"), TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, (E) TO AN INSTITUTIONAL "ACCREDITED INVESTOR" WITHIN THE MEANING OF RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT THAT IS NOT A QUALIFIED INSTITUTIONAL BUYER AND THAT IS PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF SECURITIES OR (F) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSES (D), (E) OR (F) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/ OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. BY ITS ACCEPTANCE HEREOF, THE HOLDER OF THIS NOTE FURTHER AGREES THAT IT WILL GIVE EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. [IN THE CASE OF REGULATION S NOTES: BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.]

BY ITS ACQUISITION OF THIS SECURITY, THE HOLDER THEREOF WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED THAT EITHER (1) NO PORTION OF THE ASSETS USED BY SUCH HOLDER TO ACQUIRE OR HOLD THIS SECURITY CONSTITUTES THE ASSETS OF AN EMPLOYEE BENEFIT PLAN THAT IS SUBJECT TO TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), A PLAN, INDIVIDUAL RETIREMENT ACCOUNT OR OTHER ARRANGEMENT THAT IS SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") OR PROVISIONS UNDER ANY OTHER FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAWS OR REGULATIONS THAT ARE SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE

(COLLECTIVELY, "SIMILAR LAWS"), OR OF AN ENTITY WHOSE UNDERLYING ASSETS ARE CONSIDERED TO INCLUDE "PLAN ASSETS" OF ANY SUCH PLAN, ACCOUNT OR ARRANGEMENT, OR (2) THE ACQUISITION AND HOLDING OF THIS SECURITY WILL NOT CONSTITUTE A NON-EXEMPT PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE OR A SIMILAR VIOLATION UNDER ANY APPLICABLE SIMILAR LAW.

RSI HOME PRODUCTS, INC.
6½% Senior Secured Second Lien Note DUE 2023

No. _____ NOTES CUSIP: 144A: 74977X AB7 / Reg. S: U7501X AB9
NOTES ISIN: 144A: US74977X AB73 / Reg S: USU7501X AB92

RSI HOME PRODUCTS, INC. promises to pay to Cede & Co. or registered assigns, the principal sum of [ ] ($[_____]) on March 15, 2023.

Interest Payment Dates: March 15 and September 15, beginning September 15, 2015

Record Dates: March 1 and September 1

Reference is made to further provisions of this Note set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Note shall not be entitled to any benefits under the Indenture referred to on the reverse hereof or be valid or obligatory for any purpose.

RSI HOME PRODUCTS, INC.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
This is one of the 6½% Senior Secured Second Lien Notes referred to in the within-mentioned Indenture:

Dated: March 16, 2015

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity, but solely as Trustee

By: _____
Authorized Signatory

(Reverse of 6½% Senior Secured Second Lien Note)
6½% Senior Secured Second Lien Note due 2023
RSI HOME PRODUCTS, INC.

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

(1) Interest.

(a) RSI HOME PRODUCTS, INC., a Delaware corporation (the *"Issuer")* promises to pay interest on the principal amount of this Note (the *"Notes")* at the rate of 61,4% per annum from March 16, 2015 until maturity. The Issuer will pay interest, if any, in United States dollars (except as otherwise provided herein) semiannually in arrears on March 15 and September 15, commencing on September 15, 2015 or if any such day is not a Business Day, on the next succeeding Business Day (each an *"Interest Payment Date").* Interest on the

Notes shall accrue from the most recent date to which interest has been paid or, if no interest has been paid, from and including March 16, 2015; *provided* that if there is no existing Default or Event of Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date (but after March 16, 2015), interest shall accrue from such next succeeding Interest Payment Date, except in the case of the original issuance of Notes, in which case interest shall accrue from the date of authentication. It shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Code) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months. The interest rate on the Notes will in no event be higher than the maximum rate permitted by New York law as the same may be modified by United States law of general application.

(2) Method of Payment. The Issuer will pay interest on the Notes (except defaulted interest) on the applicable Interest Payment Date to the Persons who are registered Holders of Notes at the close of business on March 1 and September 1 preceding the Interest Payment Date, even if such Notes are cancelled after such record date and on or before such Interest Payment Date, except as provided in Section 2.12 of the Indenture with respect to defaulted interest. The Notes shall be payable as to principal, premium and interest at the office or agency of the Issuer maintained for such purpose, or, at the option of the Issuer, payment of interest on all Global Notes and, with respect to interest due on an Interest Payment Date may be made by check mailed to the Holders at their addresses set forth in the register of Holders; *provided* that payment by wire transfer of immediately available funds shall be required with respect to principal of, premium, if any, and interest on, and interest on all Global Notes and, with respect to interest due on an Interest Payment Date, all other Notes the Holders of which shall have provided written wire transfer instructions to the Issuer and the Paying Agent. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

Any payments of principal of and interest on this Note prior to Stated Maturity shall be binding upon all future Holders of this Note and of any Note issued upon the registration of transfer hereof or in exchange hereof or in lieu hereof, whether or not noted hereon. The amount due and payable at the maturity of this Note shall be payable only upon presentation and surrender of this Note at an office of the Trustee or the Trustee's agent appointed for such purposes.

(3) Paying Agent and Registrar. Initially, Wells Fargo Bank, National Association, the Trustee under the Indenture, shall act as Paying Agent and Registrar. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer or any of its respective Restricted Subsidiaries may act in any such capacity.

(4) Indenture. The Issuer issued the Notes under an Indenture, dated as of March 16, 2015 (the *"Indenture")*, among the Issuer, the Guarantors, the Trustee and the Collateral Agent. The terms of the Notes include those stated in the Indenture. To the extent the provisions of this Note are inconsistent with the provisions of the Indenture, the Indenture shall govern. The Notes are subject to all such terms, and Holders are referred to the Indenture for a statement of such terms. The Notes issued on the Issue Date are senior Obligations of the Issuer limited to $575,000,000 in aggregate principal amount, plus amounts, if any, sufficient to pay premium and interest on outstanding Notes as set forth in Paragraph 2 hereof The Indenture permits the issuance of Additional Notes subject to compliance with certain conditions.

(5) Optional Redemption.

(a) The Notes may be redeemed, in whole or in part, at any time prior to March 15, 2018, at the option of the Issuer, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but not including, the applicable redemption date (subject to the right of Holders of record on the relevant record date to receive interest due on the relevant interest payment date).

(b) In addition, the Notes are subject to redemption, at the option of the Issuer, in whole or in part, at any time on or after March 15, 2018 at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued and unpaid interest, if any, to, but not including, the redemption date (subject to the right of Holders of record on the relevant regular record date to receive interest due on an interest payment date), if redeemed during the 12-month period beginning on:

Year	Percentage
March 15, 2018	104.875%
March 15, 2019	103.250%
March 15, 2020	101.625%
March 15, 2021 and thereafter	100.000%

In addition to the optional redemption of the Notes in accordance with the provisions of the preceding paragraphs, prior to March 15, 2018, the Issuer may:

1) with the net proceeds of one or more Qualified Equity Offerings, redeem up to 35% of the aggregate principal amount of the outstanding Notes (including Additional Notes) at a redemption price equal to 106.500% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date; *provided* that at least 65% of the principal amount of Notes then outstanding (including Additional Notes) remains outstanding immediately after the occurrence of any such redemption and that any such notice of redemption occurs within 90 days following the closing of any such Qualified Equity Offering; and

2) redeem up to 10% of the aggregate principal amount of the Notes (including Additional Notes) that have been issued hereunder during each twelve-month period commencing with the Issue Date (with unused amounts from the first twelve-month period being permitted to be carried over to the next succeeding twelve-month period) at a redemption price equal to 103% of the principal amount thereof, plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date.

(c) Any redemption may, at the Issuer's option, be subject to one or more conditions precedent. Notice of any redemption upon any Qualified Equity Offering may be given prior to the completion thereof

(d) The Issuer or its Affiliates may at any time and from time to time purchase Notes. Any such purchases may be made through open market or privately negotiated transactions with third parties or pursuant to one or more tender or exchange offers or otherwise, upon such terms and at such prices as well as with such consideration as the Issuer or any Affiliate may determine.

(6) Mandatory Redemption. Except as set forth under Sections 3.10, 4.10 and 4.14 of the Indenture, the Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

(7) Repurchase at Option of Holder.

(a) Upon the occurrence of certain events, the Issuer may be required to commence an Offer to Purchase pursuant to an Asset Sale Offer or Change of Control Offer.

(b) Holders of the Notes that are the subject of an Offer to Purchase will receive notice of an Offer to Purchase pursuant to an Asset Sale Offer or Change of Control Offer from the Issuer prior to any related Purchase Date and may elect to have such Notes purchased by completing the form titled "Option of Holder to Elect Purchase" appearing below.

(8) Notice of Redemption. Notice of redemption shall be mailed (or in the case of Notes held in book entry form, deliver by electronic transmission) at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes and portions of Notes selected will be in amounts of $1,000 or whole multiples of $1,000 in excess thereof *(provided*, that any unpurchased portion of a Note must be in a minimum denomination of $2,000); except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder shall be redeemed or purchased.

(9) Denominations, Transfer, Exchange. The Notes are in registered form without coupons in initial denominations of $2,000 and any integral multiple of $1,000 in excess thereof. The transfer of the Notes may be registered. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, it need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

(10) Persons Deemed Owners. The registered holder of a Note may be treated as its owner for all purposes.

(11) Amendment, Supplement and Waiver. Subject to the following paragraphs, the Indenture, the Notes and the Security Documents may be amended or supplemented with the consent of the Holders of at least a majority in aggregate principal amount of the then outstanding Notes, including, without limitation, consents obtained in connection with a purchase of or tender offer or exchange offer Exhibit A-7 for Notes, and any existing Default or Event of Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the Holders of a majority in aggregate principal amount of the then outstanding Notes, including waivers obtained in connection with a tender offer or exchange offer for the Notes.

Without the consent of any Holders, the Issuer, the Guarantors, the Trustee and the Collateral Agent, as applicable, at any time and from time to time, may enter into one or more indentures supplemental to the Indenture, or amend the Guarantees, if any, and the Security Documents for any of the following purposes:

(1) to evidence the succession of another Person to the Issuer or any Guarantor and the assumption by any such successor of the covenants of the Issuer or Guarantor in the Indenture, the Guarantees and the Security Documents and in the Notes;

(2) to add to the covenants of the Issuer or the Guarantors for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer or the Guarantors;

(3) to add additional Events of Default;

(4) to provide for uncertificated Notes in addition to or in place of the Certificated Notes;

(5) to evidence and provide for the acceptance of appointment under the Indenture and the Security Documents by a successor Trustee or Collateral Agent;

(6) to provide for or confirm the issuance of Additional Notes in accordance with the terms of the Indenture;

(7) to add to the Collateral securing the Notes, to add a Guarantor or to release a Guarantor in accordance with the Indenture;

(8) to cure any ambiguity, defect, omission, mistake or inconsistency;

(9) to make any other provisions with respect to matters or questions arising under the Indenture, *provided* that such actions pursuant to this clause shall not materially adversely affect the interests of the Holders, as determined in good faith by the Board of Directors of the Issuer;

(10) to conform the text of the Indenture, the Security Documents or the Notes to any provision of the "Description of the Notes" in the Offering Memorandum to the extent that the Trustee has received an Officers' Certificate stating that such text constitutes an unintended conflict with the description of the corresponding provision in the "Description of the Notes" and that such provision the "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Security Documents or the Notes;

(11) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Collateral Agent for its benefit and the benefit of the Trustee on behalf of the Holders of the Notes, as additional security for the payment and performance of all or any portion of the Note Obligations under the Indenture and the Notes, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Collateral Agent pursuant to the Indenture, any of the Security Documents or otherwise;

(12) to provide for the release of Collateral from the Lien of the Indenture and the Security Documents when permitted or required by the Security Documents, the Intercreditor Agreement or the Indenture;

(13) to secure any Permitted Additional Pari Passu Obligations under the Security Documents and to appropriately include the same in the Intercreditor Agreement; or

(14) to appropriately include Debt permitted by the Indenture to be secured by Collateral (including Debt permitted by clause (i) of the definition of "Permitted Debt") in the Intercreditor Agreement.

With the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, the Issuer, the Guarantors and the Trustee may enter into an indenture or indentures supplemental to the Indenture or amend the Guarantees, the Security Documents and the Intercreditor Agreement (together with the other consents required thereby) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or the Notes or of modifying in any manner the rights of the Holders of the Notes under the Indenture, including the definitions therein; *provided, however,* that no such supplemental indenture or amendment shall, without the consent of the Holder of each outstanding Note affected thereby:

(1) change the Stated Maturity of any Note or of any installment of interest on any Note, or reduce the amount payable in respect of the principal thereof or the rate of interest thereon or any premium payable thereon, or reduce the amount that would be due and payable on acceleration of the maturity thereof, or change the place of payment where, or the coin or currency in which, any Note or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof, or change the date on which any Notes may be subject to redemption or reduce the redemption price therefor,

(2) reduce the percentage in aggregate principal amount of the outstanding Notes, the consent of whose Holders is required for any such supplemental indenture or amendment, or the consent of whose Holders is required for any waiver (of compliance with certain provisions of the Indenture or certain defaults hereunder and their consequences) provided for in the Indenture,

(3) modify the obligations of the Issuer to make Offers to Purchase upon a Change of Control or from the Excess Proceeds of Asset Sales if such modification was done after the occurrence of such Change of Control or Asset Sale, as applicable,

(4) subordinate, in right of payment, the Notes to any other Debt of the Issuer,

(5) modify any of the provisions of this paragraph or provisions relating to waiver of defaults or certain covenants, except to increase any such percentage required for such actions or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each outstanding Note affected thereby, or

(6) release any Guarantees required to be maintained under the Indenture (other than in accordance with the terms of this Indenture).

In addition, any amendment to, or waiver of, the provisions of the Indenture or any Security Document that has the effect of releasing all or substantially all of the Collateral from the Liens securing the Notes or otherwise modify the Intercreditor Agreement in any manner adverse in any material respect to the Holders of the Notes will require the consent of the Holders of at least $66^{2}/_{4}\%$ in aggregate principal amount of the Notes then outstanding.

The Holders of not less than a majority in aggregate principal amount of the outstanding Notes may on behalf of the Holders of all the Notes waive any past default under the Indenture and its consequences, except a default:

(1) in any payment in respect of the principal of (or premium, if any) or interest on any Notes (including any Note which is required to have been purchased pursuant to an Offer to Purchase which has been made by the Issuer), or

(2) in respect of a covenant or provision of the Indenture which under the Indenture cannot be modified or amended without the consent of the Holder of each outstanding Note affected (or cannot be modified or amended without the consent of Holders of at least $66^{2}/_{3}\%$ in aggregate principal amount of the Notes).

(12) Defaults and Remedies. Events of Default include:

(1) default in the payment in respect of the principal of (or premium, if any, on) any Note at its maturity (whether at Stated Maturity or upon repurchase, acceleration, optional redemption or otherwise);

(2) default in the payment of any interest upon any Note when it becomes due and payable, and continuance of such default for a period of 30 days;

(3) failure to perform or comply with the provisions described under Section 5.1 of the Indenture;

(4) except as permitted by the Indenture, any Note Guarantee of any Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) shall for any reason cease to be, or it shall be asserted by any Guarantor or the Issuer not to be, in full force and effect and enforceable in accordance with its terms (except as specifically provided in the Indenture);

(5) default in the performance, or breach, of (i) any covenant or agreement of the Company or any Guarantor in the Indenture (other than (x) a covenant or agreement a default in whose performance or whose breach is specifically dealt with in clauses (1), (2) (3) or (4) above or (y) a covenant or agreement contained in Section 4.3 of the Indenture), and continuance of such default or breach for a period of 60 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes or (ii) any covenant or agreement contained in Section 4.3 of the Indenture and continuance of such default or breach for a period of 120 days after written notice thereof has been given to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the outstanding Notes;

(6) a default or defaults under any bonds, debentures, notes or other evidences of Debt (other than the Notes) by the Company or any Restricted Subsidiary of the Company having, individually or in the aggregate, a principal or similar amount outstanding of at least $25.0 million, whether such Debt now exists or shall hereafter be created, which default or defaults shall have resulted in the acceleration of the maturity of such Debt prior to its express maturity or shall constitute a failure to pay at least $25.0 million of such Debt when due and payable at the stated maturity of such Debt (after the expiration of any applicable grace period with respect thereto);

(7) the entry against the Issuer or any Restricted Subsidiary of the Issuer that is a Significant Subsidiary (or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary) of a final non-appealable judgment or final non-appealable judgments for the payment of money in an aggregate amount in excess of $25.0 million (other than any judgments covered by indemnities or insurance policies as to which liability coverage has not been denied by the insurance company or indemnifying party), by a court or courts of competent jurisdiction, which judgments remain undischarged, unwaived, unstayed, unbonded or unsatisfied for a period of 60 consecutive days;

(8) (i) the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Code:

(a) commences a voluntary case,

(b) consents to the entry of an order for relief against it in an involuntary case,

(c) consents to the appointment of a Custodian of it or for all or substantially all of its property,

(d) makes a general assignment for the benefit of its creditors, or

(e) admits, in writing, its inability generally to pay its debts as they become due; or (ii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Code that:

(a) is for relief against the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary, in an involuntary case;

(b) appoints a Custodian of the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary or for all or substantially all of the property of the Issuer, any Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; or

(c) orders the liquidation of the Issuer or any Restricted Subsidiary that is a Significant Subsidiary or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days.

(9) unless all of the Collateral has been released from the Note Liens in accordance with the provisions of the Security Documents, default by the Company or any of its Restricted Subsidiaries or Guarantors in the performance of the Security Documents which adversely affects in any material respect the enforceability, validity, perfection or priority of the Note Liens on a material portion of the Collateral, the repudiation or disaffirmation by the Company or any of its Restricted Subsidiaries or Guarantors of any material obligations under the Security Documents or the determination in a judicial proceeding that the Security Documents are unenforceable or invalid against the Company or any of its Restricted Subsidiaries or Guarantors party thereto for any reason with respect to a material portion of the Collateral (which default, repudiation, disaffirmation or determination is not rescinded, stayed, or waived by the Persons having such authority pursuant to the Security Documents) or otherwise cured within 60 days after the Company receives written notice thereof specifying such occurrence from the Trustee or the Holders of at least 25% of the outstanding principal amount of the Note Obligations and demanding that such default be remedied.

If an Event of Default (other than an Event of Default specified in clause (8) above with respect to the Issuer) occurs and is continuing, then and in every such case the Trustee or the Holders of not less than 25% in aggregate principal amount of the outstanding Notes may declare the principal of the Notes and any accrued interest on the Notes to be due and payable immediately by a notice in writing to the Issuer (and to the Trustee if given by Holders).

In the event of a declaration of acceleration of the Notes solely because an Event of Default described in clause (6) above has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically rescinded and annulled if the Event of Default or payment default triggering such Event of Default pursuant to clause (6) above shall be remedied or cured by the Issuer or any of its Restricted Subsidiaries or waived by the holders of the relevant Debt within 20 Business Days after the declaration of acceleration with respect thereto and if the rescission and annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction obtained by the Trustee for the payment of amounts due on the Notes.

If an Event of Default specified in clause (8) above occurs with respect to the Issuer, the principal of and any accrued interest on the Notes then outstanding shall ipso facto become immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

No Holder of any Note will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder, unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default and unless also the Holders of at least 25% in aggregate principal amount of the outstanding Notes shall have made written request to the Trustee, and provided indemnity satisfactory to the Trustee against cost, loss, liability and expenses, to institute such proceeding as Trustee, and the Trustee shall not have received from the Holders of a majority in aggregate principal amount of the outstanding Notes a direction inconsistent with such request and shall have failed to institute such proceeding within 60 days. Such limitations do not apply, however, to a suit instituted by a Holder of a Note directly (as opposed to through the Trustee) for enforcement of payment of the principal of (and premium, if any) or interest on such Note on or after the respective due dates expressed in such Note.

(13) Trustee Dealings with the Issuer. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Issuer, the Guarantors, if any, or its respective Affiliates, and may otherwise deal with the Issuer, the Guarantors, if any, or its respective Affiliates, as if it were not the Trustee.

(14) No Recourse Against Others. No director, officer, employee, stockholder, general or limited partner or incorporator, past, present or future, of the Issuer or any of their Subsidiaries, as such or in such capacity, shall have any personal liability for any obligations of

the Issuer under the Notes, any Guarantee or the Indenture by reason of his, her or its status as such director, officer, employee, stockholder, general or limited partner or incorporator.

(15) Authentication. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

(16) Abbreviations. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

(17) CUSIP, ISIN Numbers. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer have caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP, ISIN or other similar numbers in notices of redemption as a convenience to the Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Issuer shall furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

RSI Home Products, Inc.
400 East Orangethorpe Avenue
Anaheim, California 92807
Facsimile: 949-274-8386
Attention: General Counsel

ASSIGNMENT FORM

To assign this Note, fill in the form below: (I) or (we) assign and transfer this Note to

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____
_____
_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____ to transfer this Note on the books of the Issuer. The agent may substitute another to act for him

Date: _____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Signature guarantee:
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Sections 4.10 (Asset Sale) and 4.14 (Change of Control) of the Indenture, check the box below:

[ ] Section 4.10 [ ] Section 4.14

If you want to elect to have only part of the Note purchased by the Issuer pursuant to Section 4.10 or 4.14 of the Indenture, state the amount you elect to have purchased:

$_____ $1,000 or an integral multiple of $1,000 in excess thereof, *provided* that the unpurchased portion of the Note shall be in a minimum principal amount of $2,000.

Date: _____ Your Signature: _____
(Sign exactly as your name appears on the Note)

Tax Identification No.:

Signature guarantee:
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

CERTIFICATE TO BE DELIVERED UPON
EXCHANGE OR REGISTRATION
OF TRANSFER RESTRICTED NOTES

RSI Home Products, Inc.
400 East Orangethorpe Avenue
Anaheim, California 92807
Facsimile: 949-274-8386
Attention: General Counsel

Wells Fargo Bank, National Association,
as Trustee
608 2nd Avenue South
Facsimile: (866) 969-1290
Attention: DAPS Reorg

Re: RSI Home Products, Inc.
6 ½% Senior Secured Second Lien Note due 2023
CUSIP # _____

Reference is hereby made to that certain Indenture, dated as of March 16, 2015 (the *"Indenture")*, among RSI Home Products, Inc. (the *"Issuer")*, the Guarantors party thereto, Wells Fargo Bank, National Association, as trustee (the *"Trustee")* and Wells Fargo Bank, National Association, as collateral agent. Capitalized terms used but not defined herein shall have the meanings set forth in the Indenture.

This certificate relates to $_____ principal amount of Notes held in (check applicable space) _____ book-entry or _____ definitive form by the undersigned.

The undersigned _____ (transferor) (check one box below):

☐ hereby requests the Registrar to deliver in exchange for its beneficial interest in the Global Note held by the Depositary a Note or Notes in definitive, registered form of authorized denominations and an aggregate principal amount equal to its beneficial interest in such Global Note (or the portion thereof indicated above), in accordance with Section 2.6 of the Indenture; or

☐ hereby requests the Trustee to exchange or register the transfer of a Note or Notes to _____(transferee).

In connection with any transfer of any of the Notes evidenced by this certificate occurring prior to the expiration of the periods referred to in Rule 144(b) under the Securities Act of 1933, as amended, the undersigned confirms that such Notes are being transferred in accordance with its terms:

CHECK ONE BOX BELOW:
(1) ☐ to the Issuer or any of its subsidiaries; or

(2) ☐ inside the United States to a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act of 1933, as amended) that purchases for its own account or for the account of a qualified institutional buyer to whom notice is given that such transfer is being made in reliance on Rule 144A under the Securities Act of 1933, as amended, in each case pursuant to and in compliance with Rule 144A thereunder; or

(3) ☐ outside the United States in an offshore transaction within the meaning of Regulation S under the Securities Act of 1933, as amended, in compliance with Rule 904 thereunder.

Unless one of the boxes is checked, the Registrar will refuse to register any of the Notes evidenced by this certificate in the name of any person other than the registered holder thereof.

_____
Signature

Signature guarantee: _____
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

TO BE COMPLETED BY PURCHASER IF (2) ABOVE IS CHECKED.

The undersigned represents and warrants that it is purchasing this Note for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended ("Rule 144A"), and is aware that the sale to it is being made in reliance on Rule 144A and acknowledges that it has received such information regarding the Issuer as the undersigned has requested pursuant to Rule 144A or has determined not to request such information and that it is aware that the transferor is relying upon the undersigned's foregoing representations in order to claim the exemption from registration provided by Rule 144A.

[Name of Transferee]

Dated: _____ _____

NOTICE: To be executed by an executive officer

SCHEDULE OF EXCHANGES OF 6 ½% SENIOR SECURED SECOND LIEN NOTES

The following exchanges of a part of this Global Note for other 6½% Senior Secured Second Lien Notes have been made:

Date of Exchange	Amount of Decrease in Principal Amount of this Global Note	Amount of Increase in Principal Amount of this Global Note	Principal Amount of this Global Note Following Such Decrease (or Increase)	Signature of Authorized Officer of Trustee 61,4% Senior Secured Second Lien Note Custodian

EXHIBIT B

FORM OF NOTATION OF GUARANTEE

The Guarantor listed below (hereinafter referred to as the *"Guarantor,"* which term includes any successors or assigns under that certain Indenture, dated as of March 16, 2015, among RSI Home Products, Inc. (the *"Issuer")*, the Guarantors party thereto and the Trustee and the Collateral Agent (as amended and supplemented from time to time, the *"Indenture")* and any additional Guarantors) has guaranteed the Notes and the Obligations of the Issuer under the Indenture, which include (i) the due and punctual payment of the principal of, premium, if any, and interest on the Notes of the Issuer, whether at Stated Maturity, by acceleration or otherwise, the due and punctual payment of interest on the overdue principal and premium, if any, and (to the extent permitted by law) interest on any interest, if any, on the Notes, and the due and punctual performance of all other obligations of the Issuer to the Holders or the Trustee all in accordance with the terms set forth in Article XII of the Indenture, (ii) in case of any extension of time of payment or renewal of any Notes or any such other obligations, that the same will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at Stated Maturity, by acceleration or otherwise, and (iii) the payment of any and all costs and expenses (including reasonable attorneys' fees) incurred by the Trustee or any Holder in enforcing any rights under this Note Guarantee or the Indenture.

The obligations of each Guarantor to the Holders and to the Trustee pursuant to this Note Guarantee and the Indenture are expressly set forth in Article XII of the Indenture and reference is hereby made to such Indenture for the precise terms of this Note Guarantee.

No stockholder, employee, officer, director or incorporator, as such, past, present or future of each Guarantor shall have any liability

under this Note Guarantee by reason of his or its status as such stockholder, employee, officer, director or incorporator.

This is a continuing Note Guarantee and shall remain in full force and effect and shall be binding upon each Guarantor and its successors and assigns until full and final payment of all of the Issuer's obligations under the Notes and Indenture or until released in accordance with the Indenture and shall inure to the benefit of the successors and assigns of the Trustee and the Holders, and, in the event of any transfer or assignment of rights by any Holder or the Trustee, the rights and privileges herein conferred upon that party shall automatically extend to and be vested in such transferee or assignee, all subject to the terms and conditions hereof This is a Note Guarantee of payment and not of collectability.

This Note Guarantee shall not be valid or obligatory for any purpose until the certificate of authentication on the Note upon which this Note Guarantee is noted shall have been executed by the Trustee under the Indenture by the manual signature of one of its authorized officers. The Obligations of each Guarantor under its Note Guarantee shall be limited to the extent necessary to insure that it does not constitute a fraudulent conveyance under applicable law.

THE TERMS OF ARTICLE XII OF THE INDENTURE ARE INCORPORATED HEREIN BY REFERENCE.

Capitalized terms used herein have the same meanings given in the Indenture unless otherwise indicated.

Dated as of _____

[NAME OF GUARANTOR]

By: _____
Name:
Title:

EXHIBIT C

[FORM OF CERTIFICATE TO BE DELIVERED
IN CONNECTION WITH TRANSFERS PURSUANT TO RULE 144A]

RSI Home Products, Inc.
400 East Orangethorpe Avenue
Anaheim, California 92807
Facsimile: 949-274-8386
Attention: General Counsel

Wells Fargo Bank, National Association,
608 2nd Avenue South
Facsimile: (866) 969-1290
Attention: DAPS Reorg

Re: RSI Home Products, Inc. (the "Issuer")
6½% Senior Secured Second Lien Notes due 2023 (the "Notes")

Ladies and Gentlemen:

In connection with our proposed sale of $_____aggregate principal amount at maturity of the Notes, we hereby certify that such transfer is being effected pursuant to and in accordance with Rule 144A ("Rule 144A") under the United States Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we hereby further certify that the Notes are being transferred to a person that we reasonably believe is purchasing the Notes for its own account, or for one or more accounts with respect to which such person exercises sole investment discretion, and such person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Notes are being transferred in compliance with any applicable blue sky securities laws of any state of the United States.

You and the Issuer are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby.

Very truly yours,

_____
[Name of Transferor]

By: _____
Authorized Signature

Signature guarantee: _____
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

EXHIBIT D

[FORM OF CERTIFICATE TO BE DELIVERED
IN CONNECTION WITH TRANSFERS
PURSUANT TO REGULATION S]

RSI Home Products, Inc.
400 East Orangethorpe Avenue
Anaheim, California 92807
Facsimile: 949-274-8386
Attention: General Counsel

Wells Fargo Bank, National Association,
608 2nd Avenue South
Facsimile: (866) 969-1290
Attention: DAPS Reorg

Re: RSI Home Products, Inc. (the "Issuer")
6½% Senior Secured Second Lien Notes due 2023 (the "Notes")

Ladies and Gentlemen:

In connection with our proposed sale of $_____ aggregate principal amount of the Notes, we confirm that such sale has been effected pursuant to and in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and, accordingly, we represent that:

(1) the offer of the Notes was not made to a person in the United States;

(2) either (a) at the time the buy order was originated, the transferee was outside the United States or we and any person acting on our behalf reasonably believed that the transferee was outside the United States or (b) the transaction was executed in, on or through the facilities of a designated off-shore securities market and neither we nor any person acting on our behalf knows that the transaction has been pre-arranged with a buyer in the United States;

(3) no directed selling efforts have been made in the United States in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S, as applicable; and

(4) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act.

In addition, if the sale is made during a restricted period and the provisions of Rule 903(b) or Rule 904(b) of Regulation S are applicable thereto, we confirm that such sale has been made in accordance with the applicable provisions of Rule 903(b) or Rule 904(b), as the case may be.

The Issuer and you are entitled to rely upon this letter and are irrevocably authorized to produce this letter or a copy hereof to any interested party in any administrative or legal proceedings or official inquiry with respect to the matters covered hereby. Terms used in this certificate have the meanings set forth in Regulation S.

_____
[Name of Transferor]

By: _____
Authorized Signature

Signature guarantee: _____
(Signature must be guaranteed by a participant in a recognized signature guarantee medallion program)

(Back To Top)

Section 3: EX-4.3 (EXHIBIT 4.3)

Exhibit 4.3

SUPPLEMENTAL INDENTURE

RSI HOME PRODUCTS, INC.

AND EACH OF THE GUARANTORS PARTY HERETO

6½ % SENIOR SECURED SECOND LIEN NOTES DUE 2023

SUPPLEMENTAL INDENTURE
Dated as of DECEMBER 15, 2017
To
INDENTURE

Dated as of MARCH 16, 2015

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee and as Collateral Agent

SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of December 15, 2017, among RSI Home Products, Inc., a Delaware corporation (the "Company"), the Guarantors (as defined in the Indenture referred to herein) and Wells Fargo Bank, National Association, as Trustee and Collateral Agent (the "Trustee").

RECITALS OF THE COMPANY

WHEREAS, the Company, the Guarantors and the Trustee have heretofore executed and delivered an Indenture, dated as of March 16, 2015 (the "Indenture"), providing for the issuance by the Company of its 6½ % Senior Secured Second Lien Notes due 2023 (the "Notes");

WHEREAS, pursuant to the Consent Solicitation Statement, dated December 6, 2017, as amended or supplemented from time to time (the "Consent Solicitation Statement"), the Company solicited consents from Holders of Notes with respect to amendments to certain provisions of the Indenture contained herein (the "Consent Solicitation");

WHEREAS, pursuant to the Consent Solicitation, Holders that validly deliver consents prior to the Expiration Date (as defined in the Consent Solicitation Statement) in accordance with the terms and conditions of the Consent Solicitation Statement and do not revoke such consents prior to the Expiration Date or the Consent Date (as defined in the Consent Solicitation Statement), if earlier (the "Consenting Holders"), are entitled to receive a cash payment equal to $2.50 per $1,000 principal amount of Notes for which they have validly consented (the "Consent Consideration"), payable only if all conditions to the Consent Solicitation, including, without limitation, the Company's reasonable expectation that the acquisition of the Company by American Woodmark Corporation, a Virginia corporation, will close immediately following payment of such Consent Consideration, are satisfied or waived by the Company;

WHEREAS, pursuant to Section 9.2 of the Indenture, subject to certain exceptions inapplicable hereto, the Company, the Guarantors and the Trustee may amend or supplement the Indenture and the Notes with the consent of the Holders of not less than a majority in aggregate principal amount of the then-outstanding Notes (the "Requisite Consent");

WHEREAS, the Holders of a majority in aggregate principal amount of the Notes outstanding have duly and validly consented to the amendments set forth in this Supplemental Indenture in accordance with Section 9.2 of the Indenture;

WHEREAS, the Company has heretofore delivered or is delivering contemporaneously herewith to the Trustee (i) one or more board resolutions of the Board of Directors authorizing the execution of this Supplemental Indenture, (ii) evidence of receipt of the Requisite Consent and (iii) the Officers' Certificate and the Opinion of Counsel described in Sections 9.6, 13.3 and 13.4 of the Indenture; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Supplemental Indenture and to make this Supplemental Indenture valid and binding have been complied with or have been done or performed.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

It is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE I
AMENDMENT OF INDENTURE

Section 1.1 Amendments.

(a) The Indenture is hereby amended by adding the following sentence to the definition of "Change of Control" in Section 1.1 (Definitions) of the Indenture:

"Notwithstanding the foregoing, the consummation of the American Woodmark Acquisition on the terms and conditions set forth in the American Woodmark Merger Agreement and the related transactions contemplated by the American Woodmark Merger Agreement shall not constitute a Change of Control."

(b) The Indenture is hereby amended by adding the following definitions to Section 1.1 (Definitions) of the Indenture in appropriate alphabetical order:

"*American Woodmark*" means American Woodmark Corporation, a Virginia corporation.

"*American Woodmark Acquisition*" means the acquisition of the Company by American Woodmark pursuant to the American Woodmark Merger Agreement, including without limitation the Merger (as defined in the American Woodmark Merger Agreement).

"*American Woodmark Merger Agreement*" means the Agreement and Plan of Merger, dated as of November 30, 2017, among the Company, American Woodmark, Alliance Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of American Woodmark, and the Stockholder Representative (as defined in the American Woodmark Merger Agreement), as such agreement may be amended, amended and restated or otherwise modified from time to time.

ARTICLE II
MISCELLANEOUS PROVISIONS

Section 2.1 Effect of Supplemental Indenture.

The provisions of this Supplemental Indenture shall be effective upon execution and delivery of this instrument by the parties hereto. Notwithstanding the foregoing sentence, the amendments to the Indenture set forth in Section 1.1 of this Supplemental Indenture shall become operative automatically in respect of all the Notes upon, and simultaneously with, the payment of the aggregate Consent Consideration by the Company to D.F. King & Co., Inc., as information and tabulation agent for the Consent Solicitation (the "Information Agent"), in accordance with the terms and conditions of the Consent Solicitation Statement. If the Consent Consideration is not paid to the Information Agent by the Company in accordance with the terms and conditions of the Consent Solicitation Statement, this Supplemental Indenture shall not become operative and shall be null and void.

Except as amended hereby, the Indenture is in all respects ratified and confirmed and all the terms shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered under the Indenture shall be bound hereby and all terms and conditions of both shall be read together as though they constitute a single instrument, except that in the case of conflict the provisions of this Supplemental Indenture shall control.

Section 2.2 Capitalized Terms.

Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

Section 2.3 Successors.

All covenants and agreements in this Supplemental Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

Section 2.4 Separability Clause.

In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.5 Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 2.6 Counterparts.

This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 2.7 Interpretation.

The recitals contained herein shall be taken as the statements of the Company, and the Trustee does not assume any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture or the proper authorization or the due execution thereof by the Company. In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture applicable to it, whether or not elsewhere herein so provided.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed and attested, all as of the date first above written.

COMPANY:

RSI HOME PRODUCTS, INC.

By: /s/ David R. Lowrie
Name: David R. Lowrie
Title: Executive Vice President - Administration, Chief Financial Officer, Treasurer and Assistant Secretary

GUARANTORS:

RSI HOME PRODUCT SALES, INC.
RSI HOME PRODUCTS MANAGEMENT, INC.
RSI HOME PRODUCTS MANUFACTURING, INC.

By: /s/ David R. Lowrie
Name: David R. Lowrie
Title: Executive Vice President - Administration, Chief Financial Officer, Treasurer and Assistant Secretary

PROFESSIONAL CABINET SOLUTIONS

By: /s/ David R. Lowrie
Name: David R. Lowrie
Title: Executive Vice President - Administration, Chief Financial Officer, Treasurer and Assistant Secretary

TRUSTEE:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity but solely as Trustee

By: /s/ Michael Tu
Name: Michael Tu
Title: Vice President

COLLATERAL AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
not in its individual capacity but solely as Collateral Agent

By: /s/ Michael Tu
Name: Michael Tu
Title: Vice President

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Section 4: EX-4.4 (EXHIBIT 4.4)

Exhibit 4.4

SECOND SUPPLEMENTAL INDENTURE

RSI HOME PRODUCTS, INC.

AND EACH OF THE GUARANTORS PARTY HERETO

6½% SENIOR SECURED SECOND LIEN NOTES DUE 2023

_____

SECOND SUPPLEMENTAL INDENTURE

Dated as of February 9, 2018

To

INDENTURE

Dated as of March 16, 2015,

As amended and supplemented by a

Supplemental Indenture dated as of December 15, 2017

_____

WELLS FARGO BANK, NATIONAL ASSOCIATION

as Trustee and as Collateral Agent

SECOND SUPPLEMENTAL INDENTURE (this "Supplemental Indenture"), dated as of February 9, 2018, among RSI Home Products, Inc., a Delaware corporation (the "Company"), the Guarantors (as defined in the Base Indenture referred to herein) and Wells Fargo Bank, National Association, as Trustee and as Collateral Agent (the "Trustee").

RECITALS OF THE COMPANY

WHEREAS, the Company, the Guarantors and the Trustee have heretofore executed and delivered an Indenture, dated as of March 16, 2015 (the "Base Indenture"), providing for the issuance by the Company of its 6½% Senior Secured Second Lien Notes due 2023 (the "Notes"), and a Supplemental Indenture to the Base Indenture dated as of December 15, 2017 (the "First Supplemental Indenture" and, together with the Base Indenture, the "Indenture");

WHEREAS, pursuant to the Offer to Purchase and Consent Solicitation Statement, dated January 29, 2018 (as amended or supplemented from time to time, the "Statement"), the Company is offering to purchase for cash up to $460,000,000 in aggregate principal amount of the Notes (the "Tender Offer") and is soliciting consents from Holders of Notes (the "Consent Solicitation") (i) to amend the Base Indenture (a) to eliminate most of the restrictive covenants and certain events of default contained in the Base Indenture and to reduce the notice period required in connection with a redemption of the Notes (the "Proposed Majority Amendments") and (b) to eliminate certain covenants and other provisions relating to the security for the Notes contained in the Base Indenture (the "Proposed Release Amendments" and, together with the Proposed Majority Amendments, the "Proposed Amendments") and (ii) to release all of the collateral securing the obligations of the Company and the Guarantors under the Notes in accordance with the terms of the Base Indenture (the "Proposed Release");

WHEREAS, pursuant to Section 9.2 of the Base Indenture, the Company, the Guarantors and the Trustee may amend or supplement the Base Indenture and the Notes (i) to effect the Proposed Majority Amendments with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes (the "Majority Amendments Requisite Consents") and (ii) to effect the Proposed Release Amendments with the consent of the Holders of at least 66⅔% in aggregate principal amount of the Notes then outstanding (the "Release Requisite Consents");

WHEREAS, pursuant to Section 10.3 of the Base Indenture, the Note Liens will, automatically and without the need for any further action, be released pursuant to Article IX of the Base Indenture with the consent of the Holders of at least 66⅔% in aggregate principal amount of the Notes then outstanding to the Proposed Release;

WHEREAS, the Holders of at least 66⅔% in aggregate principal amount of the Notes then outstanding have duly and validly consented to the Proposed Amendments set forth in this Supplemental Indenture and to the Proposed Release in accordance with Section 9.2 of the Base Indenture and Section 10.3 of the Base Indenture;

WHEREAS, having obtained the consent to the Proposed Release of at least 66⅔% in aggregate principal amount of the Notes then outstanding, the Notes Liens are released, automatically and without the need for any further action by any Person, pursuant to Section 10.3 of the Base Indenture;

WHEREAS, the Company has heretofore delivered or is delivering contemporaneously herewith to the Trustee (i) one or more board resolutions of the Board of Directors of the Company and each Guarantor authorizing the execution and delivery of this Supplemental Indenture, (ii) evidence of receipt of the Release Requisite Consents and (iii) the Officers' Certificate and the Opinion of Counsel described in Sections 9.6, 13.3 and 13.4 of the Indenture; and

WHEREAS, all conditions necessary to authorize the execution and delivery of this Supplemental Indenture and to make this Supplemental Indenture valid and binding have been complied with or have been done or performed.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

It is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Notes, as follows:

ARTICLE I
AMENDMENTS TO THE
INDENTURE AND THE NOTES

Section 1.1 Amendments to the Base Indenture.

(a) *Amendments to Sections 3.1 and 3.3 of the Base Indenture*.

(i) Section 3.1 of the Base Indenture is hereby amended by deleting the phrase "at least thirty (30) days" and replacing it with the phrase "at least three (3) Business Days".

(ii) Section 3.3 of the Base Indenture is hereby amended by deleting the phrase "at least 30 days" and replacing it with the phrase "at least three (3) Business Days".

(b) *Amendments to Article IV of the Base Indenture*. The Base Indenture is hereby amended by deleting the title and text of the following Sections of Article IV of the Base Indenture, each in its entirety, and inserting in lieu thereof the word "[Reserved.]" after each such section number: Section 4.3 Provision of Financial Information; Section 4.4 Compliance Certificate; Section 4.6 Stay, Extension and Usury Laws; Section 4.7 Limitation on Restricted Payments; Section 4.8 Limitation on Dividends and Other Payments Affecting Restricted

Subsidiaries; Section 4.9 Limitation on Incurrence of Debt; Section 4.10 Limitation on Asset Sales; Section 4.11 Limitation on Transactions with Affiliates; Section 4.12 Limitation on Liens; Section 4.14, Offer to Purchase upon Change of Control; Section 4.15 Maintenance of Collateral and Corporate Existence; Section 4.18 Additional Note Guarantees; Section 4.19 Limitation on Creation of Unrestricted Subsidiaries; Section 4.20 Further Assurances; Section 4.21 Covenant Suspension; and Section 4.22 After Acquired Property.

(c) *Amendments to Section 5.1 of the Base Indenture*. Section 5.1 of the Base Indenture is hereby amended as follows:

(i) by deleting the text of clauses (ii), (iii), (v) and (vi) of Section 5.1 of the Base Indenture, each in its entirety, and inserting in lieu thereof the word "[Reserved.]" after each such clause number; and

(ii) by deleting the penultimate paragraph and the last paragraph of Section 5.1 of the Base Indenture, each in its entirety.

(d) *Amendments to Section 6.1 of the Base Indenture*. Section 6.1 of the Base Indenture is hereby amended as follows:

(i) by deleting the text of the clauses (5), (6), (7) and (9) of Section 6.1 of the Base Indenture, each in its entirety, and inserting in lieu thereof the word "[Reserved.]" after each such clause number; and

(ii) by deleting the last sentence of the final paragraph of Section 6.1 of the Base Indenture.

(e) *Amendments to Article X of the Base Indenture*. The Base Indenture is hereby amended by deleting the title of Article X and inserting in lieu thereof the word "[Reserved.]", and by deleting the title, section number and text of each Section of Article X, each in its entirety.

Section 1.2 Amendments to the Notes.

(a) Section 8 of the Notes is hereby amended by deleting the phrase "at least thirty (30) days" and replacing it with the phrase "at least three (3) Business Days".

(b) Section 12, Defaults and Remedies, of the Notes is hereby amended by deleting the text of clauses (5), (6), (7) and (9) of such Section 12 of the Notes, each in its entirety, and inserting in lieu thereof the word "[Reserved.]" after each such clause number.

(c) The Notes further are hereby amended to delete all provisions inconsistent with the amendments to the Base Indenture made pursuant to Section 1.1 of this Supplemental Indenture.

Section 1.3 Conforming Changes; Deletion of Definitions.

(a) Any and all references to the foregoing section, subsections, clauses and paragraphs, or the text thereof, and any and all obligations thereunder, are hereby deleted in their entirety (i) throughout the Base Indenture, the First Supplemental Indenture and the Notes, and the same shall be of no further force and effect, and (ii) in the Table of Contents to the Base Indenture and replaced with the word "[Reserved.]".

(b) Section 1.1 Definitions of the Base Indenture is hereby amended by deleting from such Section 1.1 those terms and their respective definitions and section references that, by virtue of the amendments set forth in Sections 1.1, 1.2 and 1.3(a) of this Supplemental Indenture, are no longer used in the Indenture or the Notes as amended hereby, and by deleting all references throughout the Indenture and the Notes to such defined terms and section references.

ARTICLE II

MISCELLANEOUS PROVISIONS

Section 2.1 Effect of this Supplemental Indenture.

The provisions of this Supplemental Indenture shall be effective upon execution and delivery of this instrument by the parties hereto.

Notwithstanding the foregoing sentence, the amendments to the Indenture and the Notes set forth in Article I of this Supplemental Indenture shall become operative automatically in respect of all the Notes upon, and simultaneously with, the delivery on the earlier to occur of (i) the Initial Payment Date and (ii) the Final Payment Date (each as defined in the Statement), by or on behalf of the Company, of the aggregate consideration due and payable for all Notes purchased pursuant to the Tender Offer on such Initial Payment Date or Final Payment Date, as the case may be (the "Aggregate Tender and Consent Consideration"), to the Holder of the Notes, in accordance with the terms and conditions set forth in the Statement, provided that at least 66⅔% in aggregate principal amount of the Notes then outstanding are so purchased. If the Aggregate Tender and Consent Consideration is not paid on the earlier of the Initial Payment Date and the Final Payment Date in accordance with the terms and conditions set forth in the Statement, this Supplemental Indenture shall not become operative and shall be null and void.

Except as amended hereby, the Indenture is in all respects ratified and confirmed and all the terms shall remain in full force and effect. This Supplemental Indenture shall form a part of the Indenture for all purposes, and every Holder of Notes heretofore or hereafter authenticated and delivered under the Indenture shall be bound hereby and all terms and conditions of both shall be read together as though they constitute a single instrument, except that in the case of conflict the provisions of this Supplemental Indenture shall control.

Section 2.2 Capitalized Terms.

Capitalized terms used herein without definition shall have the meanings assigned to them in the Base Indenture.

Section 2.3 Successors.

All covenants and agreements in this Supplemental Indenture by the Company and the Guarantors shall bind its successors and assigns, whether so expressed or not.

Section 2.4 Separability Clause.

In case any provision in this Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.5 Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICTS OF LAWS THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

Section 2.6 Counterparts.

This Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes.

Section 2.7 Interpretation.

The recitals contained herein shall be taken as the statements of the Company, and the Trustee does not assume any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture or the proper authorization or the due execution thereof by the Company. In entering into this Supplemental Indenture, the Trustee shall be entitled to the benefit of every provision of the Indenture applicable to it, whether or not elsewhere herein so provided.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed and attested, all as of the date first above written.

THE COMPANY:

RSI HOME PRODUCTS, INC.

By: _/s/ S. Cary Dunston_____

Name: S. Cary Dunston

Title: Chairman, President and Chief Executive Officer

GUARANTORS:

RSI HOME PRODUCT SALES, INC.

RSI HOME PRODUCTS MANAGEMENT, INC.

RSI HOME PRODUCTS MANUFACTURING, INC.

By: _/s/ S. Cary Dunston_____

Name: S. Cary Dunston

Title: Chairman, President and Chief Executive Officer

PROFESSIONAL CABINET SOLUTIONS

By: __/s/ S. Cary Dunston_____

Name: S. Cary Dunston

Title: Chairman, President and Chief Executive Officer

TRUSTEE:

WELLS FARGO BANK, NATIONAL ASSOCIATION,

not in its individual capacity but solely as Trustee

By: /s/ Maddy Hughes

Name: Maddy Hughes

Title: Vice President

COLLATERAL AGENT:

WELLS FARGO BANK, NATIONAL ASSOCIATION,

not in its individual capacity but solely as Collateral Agent

By: /s/ Maddy Hughes

Name: Maddy Hughes

Title: Vice President

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Section 5: EX-10.3 (EXHIBIT 10.3)

Exhibit 10.3

JOINDER AGREEMENT, dated as of February 12, 2018 (this "Agreement"), is made by AMERICAN WOODMARK CORPORATION, a Virginia corporation (the "Borrower"), each Subsidiary of the Borrower identified on the signature pages of this Agreement as an "Existing Subsidiary Guarantor" (each an "Existing Subsidiary Guarantor"), each Subsidiary of the Borrower identified on the signature pages of this Agreement as an "Additional Subsidiary Guarantor" (each an "Additional Subsidiary Guarantor"), in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION, in its capacity as Administrative Agent (the "Administrative Agent"), for the benefit of the Secured Parties.

STATEMENT OF PURPOSE

Pursuant to the Credit Agreement, dated as of December 29, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), by and among the Borrower, the Lenders from time to time party thereto and the Administrative

Agent, the Lenders have agreed to make Extensions of Credit to the Borrower upon the terms and subject to the conditions set forth therein.

Pursuant to the terms of the Subsidiary Guaranty Agreement, dated as of December 29, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Subsidiary Guaranty Agreement"), by the Existing Subsidiary Guarantors in favor of the Administrative Agent, the Existing Subsidiary Guarantors have guaranteed the payment and performance of the Secured Obligations.

Pursuant to the terms of the Collateral Agreement, dated as of December 29, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Collateral Agreement"), by and among the Borrower and the Existing Subsidiary Guarantors in favor of the Administrative Agent, the Borrower and the Existing Subsidiary Guarantors have granted a security interest in their respective Collateral to secure the Secured Obligations.

The Borrower, the Existing Subsidiary Guarantors and the Additional Subsidiary Guarantors, though separate legal entities, comprise one integrated financial enterprise, and all Extensions of Credit to the Borrower will inure, directly or indirectly, to the benefit of each Existing Subsidiary Guarantor and each Additional Subsidiary Guarantor.

It is a condition precedent to the obligation of the Lenders to make the Delayed Draw Term Loans under the Credit Agreement that each Additional Subsidiary Guarantor shall have executed and delivered this Agreement to the Administrative Agent, for the benefit of the Secured Parties.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, and to induce the Lenders to make the Delayed Draw Term Loans under the Credit Agreement, each of the Borrower, each Existing Subsidiary Guarantor and each Additional Subsidiary Guarantor hereby agrees with the Administrative Agent, for the benefit of the Secured Parties, as follows:

1. Terms Defined in Loan Documents. Terms not otherwise defined in this Agreement have the respective meanings provided in the Credit Agreement, the Subsidiary Guaranty Agreement or the Collateral Agreement, as applicable.

2. Subsidiary Guaranty Agreement.

a. Joinder. Each Additional Subsidiary Guarantor hereby irrevocably, absolutely and unconditionally agrees to become a party to the Subsidiary Guaranty Agreement as a "Guarantor" effective as of the date hereof. As of the date hereof, all references to "Guarantor" in the Subsidiary Guaranty Agreement shall include the Additional Subsidiary Guarantors.

b. Guaranty. Each Additional Subsidiary Guarantor hereby, jointly and severally with the other Guarantors, absolutely, irrevocably and unconditionally guarantees as a primary obligor and not merely as a surety to the Administrative Agent for the benefit of the Secured Parties, and their respective permitted successors, endorsees, transferees and assigns, the prompt payment and performance of all Guaranteed Obligations, with the same force and effect as if such Additional Subsidiary Guarantor were a signatory to the Subsidiary Guaranty Agreement.

c. Affirmations. Each Additional Subsidiary Guarantor hereby acknowledges, makes and affirms, as of the date hereof, with respect to itself, its properties and its affairs, each of the representations, warranties, acknowledgements and certifications applicable to, and each of the waivers by, any "Guarantor" contained in the Subsidiary Guaranty Agreement, as supplemented by this Agreement.

3. Collateral Agreement.

a. Joinder. Each Additional Subsidiary Guarantor hereby irrevocably, absolutely and unconditionally agrees to become a party to the Collateral Agreement as a "Grantor" effective as of the date hereof. As of the date hereof, all references to "Grantor" in the Collateral Agreement shall include the Additional Subsidiary Guarantors.

b. Grant of Security Interest. Each Additional Subsidiary Guarantor hereby grants and pledges to the Administrative Agent, for the benefit of itself and the other Secured Parties, a continuing security interest in, all of such Additional Subsidiary Guarantor's right, title and interest in, and such Additional Subsidiary Guarantor's power to transfer rights in, the Collateral, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations, with the same force and effect as if such Additional Subsidiary Guarantor were a signatory to the Collateral Agreement.

c. Affirmations. Each Additional Subsidiary Guarantor hereby acknowledges, makes and affirms, as of the date hereof, with respect to itself, its properties and its affairs, each of the representations, warranties, acknowledgements and certifications applicable to, and each of the waivers by, any "Grantor" contained in the Collateral Agreement, as supplemented by this Agreement.

4. Additional Agreements.

a. Supplemental Schedules. Attached as Exhibit A to this Agreement are duly completed schedules (the "Supplemental Schedules") supplementing the respective Schedules to the Collateral Agreement as thereon indicated. Each of the Borrower, each Existing Subsidiary Guarantor and each Additional Subsidiary Guarantor hereby represents and warrants that the information contained on each

of the Supplemental Schedules with respect to such Credit Party and its properties and affairs is true and complete as of the date hereof.

b. Reaffirmation of Subsidiary Guaranty Agreement. Each Existing Subsidiary Guarantor hereby reacknowledges and reaffirms, as of the date hereof, with respect to itself, its properties and its affairs, each of the representations, warranties, acknowledgements and certifications applicable to, and each of the waivers by, any "Guarantor" contained in the Subsidiary Guaranty Agreement, as supplemented by this Agreement.

c. Reaffirmation of Collateral Agreement. Each of the Borrower and each Existing Subsidiary Guarantor hereby reacknowledges and reaffirms, as of the date hereof, with respect to itself, its properties and its affairs, each of the representations, warranties, acknowledgements and certifications applicable to, and each of the waivers by, any "Grantor" contained in the Collateral Agreement, as supplemented by this Agreement.

5. Miscellaneous.

a. Successors and Assigns. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; except that no Existing Subsidiary Guarantor or Additional Subsidiary Guarantor may assign or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the Administrative Agent and the other Lenders (except as otherwise provided by the Credit Agreement).

b. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in separate counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page to this Agreement or any document or instrument delivered in connection herewith by facsimile or in electronic (i.e. "pdf" or "tif") form shall be effective as delivery of a manually executed counterpart of this Agreement or such other document or instrument, as applicable.

c. Governing Law; Venue; Waiver of Jury Trial. The provisions of Sections 7.5 and 7.6 of the Collateral Agreement are hereby incorporated by reference as if fully set forth herein.

d. Severability of Provisions. Any provision of this Agreement or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

e. Integration. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees, constitute the entire contract among the parties relating to the subject matter hereof and thereof and supersede any and all previous agreements and understandings, written or oral, relating to the subject matter hereof. In the event of any conflict between the provisions of this Agreement and those of the Credit Agreement, the provisions of the Credit Agreement shall control, and in the event of any conflict between the provisions of this Agreement and any other Security Documents, the provisions of the Collateral Agreement shall control; provided that the inclusion of supplemental rights or remedies in favor of the Administrative Agent or the other Secured Parties in any other Loan Document shall not be deemed a conflict with this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, each of the parties hereto has duly executed and delivered this Agreement as of the day and year first written above.

BORROWER:

AMERICAN WOODMARK CORPORATION, as Borrower

By: /s/ S. Cary Dunston _____
Name: S. Cary Dunston
Title: President, Chief Executive Officer and
Chairman of the Board

EXISTING SUBSIDIARY GUARANTORS:

AMENDÉ CABINET CORPORATION, as an Existing Subsidiary Guarantor

By: /s/ M. Scott Culbreth
Name: M. Scott Culbreth
Title: President, Secretary and
Chairman of the Board

COMPLETE KITCHENS LLC, as an Existing Subsidiary Guarantor

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: President

ADDITIONAL SUBSIDIARY GUARANTORS:

RSI HOME PRODUCTS, INC., as an Additional Subsidiary Guarantor

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: Chairman, President and
Chief Executive Officer

PROFESSIONAL CABINET SOLUTIONS, INC., as an Additional Subsidiary Guarantor

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: Chairman, President and
Chief Executive Officer

RSI HOME PRODUCTS MANAGEMENT, INC., as an Additional Subsidiary Guarantor

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: Chairman, President and
Chief Executive Officer

RSI HOME PRODUCTS MANUFACTURING, INC., as an Additional Subsidiary Guarantor

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: Chairman, President and
Chief Executive Officer

RSI HOME PRODUCTS SALES, INC., as an Additional Subsidiary Guarantor

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: Chairman, President and
Chief Executive Officer

[Signature Page to Joinder Agreement]

ADMINISTRATIVE AGENT

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent

By: /s/ Dermaine Lewis
Name: Dermaine Lewis
Title: Senior Vice President

[Signature Page to Joinder Agreement]

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Section 6: EX-10.4 (EXHIBIT 10.4)

Exhibit 10.4

SHAREHOLDERS AGREEMENT

BY AND AMONG

AMERICAN WOODMARK CORPORATION

AND

THE SHAREHOLDERS

SET FORTH ON THE SIGNATURE PAGES HERETO

DATED AS OF NOVEMBER 30, 2017

SHAREHOLDERS AGREEMENT

THIS SHAREHOLDERS AGREEMENT, dated as of November 30, 2017 (this "Agreement"), is made by and among American Woodmark Corporation, a Virginia corporation (the "Company"), and the Persons identified as "Shareholders" on the signature pages hereto (each, a "Shareholder" and collectively, the "Shareholders").

WHEREAS, concurrently with the execution of this Agreement, the Company, Alliance Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company, RSI Home Products, Inc., a Delaware corporation (the "Acquired Company"), and Ronald M. Simon, as the Stockholder Representative, are entering into an Agreement and Plan of Merger (as it may be amended from time to time, the "Merger Agreement") pursuant to which, at the Effective Time, the Company will acquire all of the issued and outstanding capital stock of (and all other equity interests in) the Acquired Company;

WHEREAS, as a result of and immediately following the consummation of the transactions contemplated by the Merger Agreement, each of the Shareholders shall own the number of shares of Common Stock set forth opposite such Shareholder's name on Annex I hereto, as the same may be amended to reflect any change in the actual number of shares of Common Stock to be issued to the Shareholders at Closing pursuant to the Merger Agreement, as applicable; and

WHEREAS, in connection with the consummation of the transactions contemplated by the Merger Agreement, the Company and each Shareholder desires to enter into this Agreement to set forth certain rights and obligations of the Company and the Shareholders.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and each of the Shareholders hereby agree as follows:

Article I
DEFINITIONS

SECTION 1.1 Certain Defined Terms.

(a) Capitalized terms used and not otherwise defined herein shall have the respective meanings assigned to such terms in the Merger Agreement.

(b) For purposes of this Agreement, the following terms shall have the following meanings:

"Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under common control with such Person.

"Acquired Company" has the meaning assigned to such term in the recitals.

"Agreement" has the meaning assigned to such term in the recitals.

"Beneficial Ownership" by a Person of any securities includes ownership by any Person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares (i) voting power which includes the power to vote, or to direct

the voting of, such security; and/or (ii) investment power which includes the power to dispose, or to direct the disposition, of such security; and shall otherwise be interpreted in accordance with the term "beneficial ownership" as defined in Rule 13d-3 adopted by the SEC under the Exchange Act. For purposes of this Agreement, a Person shall be deemed to Beneficially Own any securities Beneficially Owned by its Affiliates (including as Affiliates for this purpose its officers and directors) or any Group of which such Person or any such Affiliate is or becomes a member. The terms "Beneficially Own" and "Beneficially Owned" shall have correlative meanings to "Beneficial Ownership."

"Calabrese" means Mr. Alexander G. Calabrese.

"Chosen Courts" has the meaning assigned to such term in Section 5.7.

"Common Stock" means the common stock of the Company, no par value, and any securities into which such common stock may hereafter be reclassified.

"Company" has the meaning assigned to such term in the recitals.

"Company Board" means the Board of Directors of the Company.

"control" (including the terms "controlling", "controlled by" and "under common control with"), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly, of the power to direct or cause the direction of the affairs or management or policy of a Person, whether through the ownership of voting securities, by contract, as a general partner, as trustee or executor, or otherwise.

"Controlled Affiliate" of any Person means a Person that is directly or indirectly controlled by such other Person.

"Effective Time" has the meaning set forth in the Merger Agreement.

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

"Governmental Authority" means any governmental or quasi-governmental authority, body, department, commission, board, bureau, agency, division, court or other instrumentality, whether foreign or domestic, of any country, nation, republic, federation or similar entity or any state, county, parish, municipality, jurisdiction or other political subdivision thereof.

"Group" has the meaning assigned to such term in Section 13(d)(3) of the Exchange Act.

"Key Company Employee" means any "director"-level or above employee (Salary Grade 10 or above).

"Law" means any federal, state, provincial, territorial, local, foreign, international or multinational treaty, constitution, statute or other law, ordinance, rule or regulation.

"Merger Agreement" has the meaning assigned to such term in the recitals.

"Organizational Documents" means, with respect to any Person, such Person's articles of association, articles or certificate of incorporation, formation or organization, bylaws, limited liability company agreement, partnership agreement, declaration of trust or other constituent document or documents, each in its currently effective form as amended from time to time.

"Person" means any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including any Governmental Authority, or any Group comprised of two or more of the foregoing.

"SEC" means the U.S. Securities and Exchange Commission.

"Simon" means Mr. Ronald M. Simon.

"Shareholder" has the meaning assigned to such term in the Recitals and, for the avoidance of doubt, shall be deemed to include any Person that has, pursuant to the terms of the Merger Agreement, executed and delivered to the Company a joinder to this Agreement in the form attached hereto as Annex II.

"Standstill Termination Date" means, after the Effective Time, the date the Shareholders, in the aggregate, Beneficially Own five percent (5%) or less of the then outstanding shares of Common Stock, such percentage being subject to adjustment for any stock split, stock dividend, reclassification or recapitalization.

"Subsidiary" means, with respect to any Person, any entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions are at any time directly or indirectly owned by such Person.

"Voting Securities" means, at any time, shares of any class of capital stock of the Company which are then entitled to vote generally in the election of directors of the Company.

SECTION 1.2 Other Definitional Provisions. The headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement. No party hereto, nor its respective counsel, shall be deemed the drafter of this Agreement for purposes of construing the provisions hereof, and all provisions of this Agreement shall be construed according to their fair meaning and not strictly for or against any party. Unless otherwise indicated to the contrary herein by the context or use thereof: (i) the words, "herein," "hereto," "hereof" and words of similar import refer to this Agreement as a whole, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Agreement; (ii) masculine gender shall also include the feminine and neutral genders, and vice versa; (iii) words importing the singular shall also include the plural, and vice versa; (iv) the words "include," "includes," "including" and "inclusive of" shall be deemed to be followed by the words "without limitation"; (v) the word "will" shall be construed to have the same meaning as the word "shall"; (vi) the phrase "to the extent" shall mean the extent or degree to which a subject or thing extends, and shall not simply be construed to mean the word "if"; and (vii) the term "or" shall not be exclusive.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

SECTION 2.1 Representations and Warranties of the Company. The Company hereby represents and warrants to each Shareholder (i) that it has been duly organized and is existing under the laws of the Commonwealth of Virginia, (ii) that it has all requisite corporate power and authority, and has received all requisite approvals to complete the transactions contemplated hereby, (iii) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and binding agreement enforceable against the Company in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity and (iv) that the execution and delivery of this Agreement by the Company and the performance by the Company of its obligations hereunder do not result in any violation of the Company's Organizational Documents.

SECTION 2.2 Representations and Warranties of Each Shareholder. Each Shareholder, on a several and not joint basis, hereby represents and warrants to the Company (i) that if it is not a natural person, it has been duly organized and is existing under the laws of its jurisdiction of formation, (ii) that it has all requisite power and authority and has received all requisite approvals to complete the transactions contemplated hereby, (iii) that this Agreement has been duly authorized, executed and delivered by such Person and constitutes a valid and binding agreement of such Person enforceable against such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws affecting creditors' rights generally and general principles of equity, (iv) that the execution and delivery of this Agreement by such Shareholder and the performance by such Shareholder of his or its obligations hereunder do not, if such Shareholder is not a natural person, result in any violation of such Shareholder's Organizational Documents, and (v) as of immediately after the Effective Time, that he or it shall not Beneficially Own any shares of Common Stock or other securities of the Company other than as listed on Annex I hereto as of the Effective Time.

ARTICLE III
STANDSTILL

SECTION 3.1 Standstill Restrictions. Until the occurrence of the Standstill Termination Date, without the consent of the Company Board, each Shareholder shall not, and each Shareholder shall cause each of its respective Controlled Affiliates not to, directly or indirectly:

(a) acquire, offer to acquire, or agree to acquire, directly or indirectly, by purchase or otherwise, or sell short or agree to sell short, directly or indirectly, any Voting Securities or direct or indirect rights to acquire any Voting Securities (or any derivative based on or relating to such securities) of the Company, or of any successor to or person in control of the Company, or any assets of the Company or any division thereof or of any such successor or controlling person, other than as a result of any stock split, stock dividend or distribution, other subdivision, reorganization, reclassification or similar capital transaction involving equity securities of the Company; provided, however, that nothing in this Section 3.1(a) shall prohibit or restrict any Shareholder from acquiring or, to the extent applicable, exercising any Voting Securities (or any derivative based on or relating to such securities) of the Company, or of any successor to or person in control of the Company, to the extent issued or granted to such Shareholder by the Company as compensation for serving on the Company Board or otherwise pursuant to any compensation plans of the Company;

(b) seek or propose to influence or control the management or policies of the Company, make or in any way participate, directly or indirectly, in any "solicitation" of "proxies" (as such terms are used in the rules of the SEC) to vote any Voting Securities, make or propose any shareholder proposal, or seek to advise or influence any person or entity with respect to the voting of any Voting Securities of the Company or any voting securities of any Subsidiary thereof;

(c) make any public announcement with respect to, or submit (publicly or otherwise) a proposal for or offer of (with or without conditions) or otherwise participate in (unless such participation is consistent with a recommendation of the Company Board regarding the same), any merger, consolidation, amalgamation, scheme of arrangement, dual listed structure, share exchange, tender offer, exchange offer, stock or asset purchase, recapitalization, reorganization, disposition, business combination or other extraordinary transaction involving the Company or any Subsidiary thereof or any of their securities or assets;

(d) seek election of or seek to place a director on the Company Board, or seek the removal of any director of the Company, or seek to call, request the call of or call any meeting of the shareholders of the Company, or execute any written consent in lieu of a meeting of the shareholders of the Company, or make a request for a list of the Company's shareholders;

(e) other than as contemplated by this Agreement, deposit any Voting Securities in a voting trust or similar arrangement, or subject any Voting Securities to any voting agreement or pooling arrangement, or grant any proxy, designation or consent with respect to any Voting Securities (other than to a designated representative of the Company pursuant to a proxy or consent solicitation on behalf of the Company Board);

(f) enter into any discussions, negotiations, arrangements or understandings with or advise or assist, whether through financing or otherwise, any third party with respect to any of the foregoing, or otherwise form, join or in any way engage in discussions relating to the formation of, or participate in, a Group in connection with any of the foregoing; or

(g) contest the validity of this Section 3.1 (including this sentence) or publicly disclose, or cause or facilitate the public disclosure of, any intent or proposal to seek any amendment, waiver or consent with respect to the requirements of this Section 3.1;

provided that the prohibition in Section 3.1(a) shall not apply to acquisitions of Common Stock or other Voting Securities by any Shareholder or any of its Controlled Affiliates through a transaction in which such Shareholder or any of its Controlled Affiliates acquires, in the ordinary course, a previously unaffiliated business entity that, unknown to such Shareholder or any of its Controlled Affiliates after reasonable investigation, Beneficially Owns shares of Common Stock or other Voting Securities, or any securities convertible into, or exercisable or exchangeable for shares of Common Stock or other Voting Securities, at the time of the consummation of such acquisition, and provided, further that, notwithstanding anything to the contrary herein, the restrictions set forth in this Section 3.1 shall immediately terminate and be of no further effect in the event that the Company enters into a definitive agreement with respect to, or publicly announces that it plans to enter into a definitive agreement with respect to, any transaction involving all or a majority of the Company's Common Stock and/or other Voting Securities, or all or substantially all of the Company's assets, or all or substantially all of the assets comprising the Company's business (in all events, whether by merger, consolidation, business combination, tender or exchange offer, recapitalization, restructuring, sale, equity issuance or otherwise).

ARTICLE IV
NON-COMPETITION AND NON-SOLICITATION

SECTION 4.1 Special Representations of Simon and Calabrese. Simon and Calabrese hereby represent as follows:

(a) that they are owners of the Acquired Company;

(b) that they are selling all or substantially all of their ownership interest in the Acquired Company and have received good and substantial consideration for such interests;

(c) that the sale of their ownership interest in the Acquired Company includes its good will;

(d) that they understand that their agreement not to compete against the Company or solicit the Company's employees pursuant to this Article IV is a material pre-requisite to the Merger;

(e) that they will not work as employees of the Company;

(f) that the Acquired Company presently does business throughout the entire United States and presently has employees working throughout the United States; and

(g) that the restrictions in this Article IV are reasonable and may be enforced in the Chosen Courts, as provided in Section 5.10 below through an injunction.

SECTION 4.2 Non-Competition.

(a) Until the three (3) year anniversary of the Closing Date, Simon and Calabrese each hereby agree that they shall not, either individually or jointly (and shall not cause their Affiliates to), engage, directly or indirectly (whether as an officer, director, securityholder, owner, co-owner, partner, promoter, employee, agent, independent contractor, representative, consultant, investor, advisor, manager or otherwise), in any business activities that compete with the business activities engaged in by the Acquired Company and its subsidiaries as of the date hereof, which is defined as the manufacture, sale and distribution of kitchen and bathroom cabinets and related products; provided that, Calabrese shall not be deemed to have violated this Section 4.2(a) by engaging in the business engaged in by RSI Holding LLC, RSI Communities LLC and their respective subsidiaries as of the date hereof or any extension thereof reasonably related to such business; provided further that, it shall not be a violation of this Section 4.2(a), and Simon and Calabrese and any of their respective Affiliates shall not be prohibited in any manner from, directly or indirectly acquiring, holding or otherwise investing in, or Beneficially Owning, securities of any Person through any employee benefit plan or pension plan.

(b) The covenants contained in this Section 4.2 shall be deemed to apply separately to any of the 50 states of the United States of America and the District of Columbia. It is the desire and intent of the parties hereto that the provisions of this Section 4.2 shall be enforced to the fullest extent permitted under the Laws and public policies of each jurisdiction in which enforcement is sought. Simon and Calabrese acknowledge both that the Acquired Company does business throughout the United States and the reasonableness of this covenant.

SECTION 4.3 Non-Solicitation. Until the three (3) year anniversary of the Closing Date, Simon and Calabrese each hereby agree that they shall not, either individually or jointly (and shall not cause their Affiliates to), solicit, induce, or attempt to solicit or induce, directly or indirectly, any Key Company Employee to leave the employment of the Company or the Acquired Company or accept employment or involvement with any Person; provided that, nothing in this Section 4.3 shall be deemed to prevent any Affiliate of Simon or Calabrese from hiring (i) any Key Company Employee whose employment has been terminated by the Company or the Acquired Company (including, without limitation, as a result of any internal restructuring after and in connection with the transactions contemplated by the Merger Agreement) or (ii) any Key Company Employee whose employment has been terminated by the Key Company Employee if 180 days have passed from the date of termination.

SECTION 4.4 Judicial Authority. If any Chosen Court determines that any provision of Section 4.2 or 4.3 is unenforceable, such Chosen Court will have the power to reduce the scope, duration or area of the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid, enforceable and reasonable and that comes

closest to express the intention of the invalid or unenforceable term or provision and, in reduced form, such provision shall be enforceable; provided that, it is the intention of the parties that the provisions of Section 4.2 and Section 4.3 shall not be terminated, unless so terminated by a Chosen Court, but shall be deemed amended only to the extent required to render them valid and enforceable, and such amendment to apply only with respect to the operation of Section 4.2 and Section 4.3 in the jurisdiction of the Chosen Court that has made such an adjudication.

SECTION 4.5 Remedies. Simon and Calabrese acknowledge and agree that any breach of this Article IV will result in irreparable harm to the Company for which there will be no remedy at law, and they consent to an injunction in favor of the Company by a Chosen Court as permitted by Section 5.10 below without prejudice to any other right or remedy to which the Company may be entitled. Simon and Calabrese further acknowledge that the Company may recover its reasonable attorneys fees and costs from them if it prevails substantially in any action under this Article IV.

ARTICLE V
MISCELLANEOUS

SECTION 5.1 Term; Termination. This Agreement will be effective as of the Closing Date. In the event that the Merger Agreement is terminated in accordance with Article X thereof, this Agreement shall terminate on the date of the delivery of the notice of such termination. Otherwise, the provisions of this Agreement shall terminate as follows: (i) Article III shall terminate in accordance with its terms; (ii) Article IV shall terminate upon the three year anniversary of the Closing Date; and (iii) Article I (to the extent defined terms are used in this Article V), Article II and this Article V shall survive any termination. Nothing herein shall relieve any party from any liability for the breach of any provisions set forth in this Agreement.

SECTION 5.2 Successors, Assigns; Transferees and Third Party Beneficiaries. This Agreement shall bind and inure to the benefit of and be enforceable by the parties hereto and their permitted successors, assigns and transferees. No party to this Agreement may assign or delegate, by operation of law or otherwise, all or any portions of its rights, obligations or liabilities under this Agreement (i) with respect to any assignment or delegation by the Shareholders, without the prior written consent of the Company, or (ii) with respect to any assignment or delegation by the Company, without the prior written consent of the Shareholders holding a majority of the shares of Common Stock or other Voting Securities then Beneficially Owned by the Shareholders in the aggregate. Each Shareholder shall inform the Company of, and the Company shall be entitled to rely upon, the names, addresses and other contact details of each Shareholder in Annex I hereto. This Agreement shall be binding upon and inure solely to the benefit of each party and its permitted successors, assigns and transferees and nothing in this Agreement, express or implied, is intended to or shall confer upon any other person any rights, benefits or remedies of any nature whatsoever under or by reason of this Agreement.

SECTION 5.3 Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given by delivery in person, by facsimile, E-mail or by reputable overnight courier service (charges prepaid) and shall be deemed given when so delivered personally, by facsimile or by electronic mail or one day after being sent by overnight courier, to the other parties hereto as follows:

(i) To the Company:

American Woodmark Corporation
3102 Shawnee Drive
Winchester, Virginia 22601
Attention: M. Scott Culbreth
Facsimile: 540-665-9251
E-mail: SCulbreth@Woodmark.com

with a copy (which shall not constitute notice to the Company) to:

McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219
Attention: James M. Anderson III
Facsimile: 804-775-1061
E-mail: jmanderson@mcguirewoods.com

(ii) To the Shareholders, to their respective addresses specified in Annex I hereto.

(iii) To such other address for any party as it may specify by like notice.

SECTION 5.4 Further Assurances. At any time or from time to time after the date hereof, the parties agree to cooperate with each other, and at the request of any other party, to execute and deliver any further instruments or documents and to take all such further action as the other party may reasonably request in order to evidence or effectuate the consummation of the transactions contemplated hereby and to otherwise carry out the intent of the parties hereunder.

SECTION 5.5 Entire Agreement. Except as otherwise expressly set forth herein, this document embodies the complete agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or among the parties, written or oral, that may have related to the subject matter hereof in any way.

SECTION 5.6 Amendments and Waivers. Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by Applicable Law.

SECTION 5.7 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia, without regard to the conflicts of law rules of such State. Each of the Company and each Shareholder irrevocably submits to the exclusive jurisdiction of (a) the Circuit Court of the City of Winchester in the Commonwealth of Virginia, and (b) the United States District Court for the Western District of Virginia (collectively, the "Chosen Courts"), for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby. Each of the Company and each Shareholder agrees to commence any action, suit or proceeding relating hereto either in the United States District Court for the Western District of Virginia or if such suit, action or other proceeding may not be brought in such Chosen Court for jurisdictional reasons, in the Circuit Court of the City of Winchester in the Commonwealth of Virginia. Each of the Company and each Shareholder further agrees that service of any process, summons, notice or document by U.S. registered mail to such party's respective address set forth herein shall be effective service of process for any action, suit or proceeding in Virginia with respect to any matters to which it has submitted to jurisdiction in this Section 5.7. Each of the Company and each Shareholder irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the transactions contemplated hereby in (i) the Circuit Court of the City of Winchester in the Commonwealth of Virginia, or (ii) the United States District Court for the Western District of Virginia, and hereby further irrevocably and unconditionally waives and agrees not to plead or claim in any such Chosen Court that any such action, suit or proceeding brought in any such Chosen Court has been brought in an inconvenient forum. Each of the Company and each Shareholder irrevocably waives any objections or immunities to jurisdiction to which it may otherwise be entitled or become entitled (including, without limitation, sovereign immunity, immunity to pre-judgment attachment, post-judgment attachment and execution) in any legal suit, action or proceeding against it arising out of or relating to this Agreement or the transactions contemplated hereby which is instituted in any such Chosen Court. The parties agree that a final trial court judgment in any such suit, action or other proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Law; provided, however, that nothing in the foregoing shall restrict any party's rights to seek any post-judgment relief regarding, or any appeal from, such final trial court judgment. Each of the parties hereto agrees that service of process, summons, notice or document by registered mail addressed to it at the addresses set forth in Section 5.3 shall be effective service of process for any suit, action or proceeding brought in any such Chosen Court. The parties agree that service of process may also be effected by certified or registered mail, return receipt requested, or by reputable overnight courier service, directed to the other party at the addresses set forth herein in Section 5.3, and service so made shall be completed when received.

SECTION 5.8 Waiver of Jury Trial. EACH OF THE PARTIES HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION (I) ARISING UNDER THIS AGREEMENT OR (II) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. THE PARTIES TO THIS AGREEMENT EACH HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY.

SECTION 5.9 Severability. In the event that any provision of this Agreement or the application thereof becomes or is declared by a Chosen Court of competent jurisdiction to be illegal, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other Persons or circumstances will be interpreted so as reasonably to effect the intent of the parties hereto. The parties further agree to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the greatest extent possible, the economic, business and other purposes of such void or unenforceable provision.

SECTION 5.10 Specific Performance. The parties hereto agree that irreparable damage would occur and that the parties would not have an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached, and that monetary damages, even if available, would not be an adequate remedy therefor and that the right of specific enforcement is an integral part of this Agreement and without that right, none of the Shareholder or the Company would have entered into this Agreement. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in the Chosen Courts, this being in addition to any other remedy to which they are entitled at law or in equity, without proof of damages or otherwise (and each party hereby waives any requirement for the securing or posting of any bond in connection with such remedy), this being in addition to any other remedy to which such party is entitled at law or in equity. The parties further agree not to assert that a remedy of specific enforcement by any Shareholder or the Company is unenforceable, invalid, contrary to Law or inequitable for any reason, and not to assert that a remedy of monetary damages would provide an adequate remedy or that any Shareholder or the Company otherwise have an adequate remedy at law. The parties further acknowledge and agree that it is their anticipation and expectation that specific enforcement will be the primary remedy in the event that any of the provisions of this Agreement are not performed in accordance with their specific terms or are otherwise breached.

SECTION 5.11 Counterparts; Facsimile Delivery. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature page delivered by facsimile or electronic image transmission shall be binding to the same extent as an original signature page. Any party that delivers a signature page by facsimile or electronic image transmission shall deliver an original counterpart to any other party that requests such original counterpart.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

COMPANY:

American Woodmark Corporation

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: President, Chief Executive Officer
and Chairman of the Board

SHAREHOLDERS:

/s/ Ronald M. Simon
Ronald M. Simon, individually and as Trustee of The Ronald M. Simon Declaration of Trust dated as of December 19, 2008

The Simon Foundation for Education and Housing

By: /s/ Gary Singer
Name: Gary Singer

Title: Chairman

/s/ Alexander G. Calabrese
Alexander G. Calabrese, individually and as Trustee of the Calabrese Family Trust u/a/d June 14, 2010

JOINDER TO SHAREHOLDERS AGREEMENT

This Joinder to Shareholders Agreement, dated as of December 20, 2017, is being delivered by the undersigned pursuant to the terms of that certain Agreement and Plan of Merger, dated as of November 30, 2017, among RSI Home Products, Inc., a Delaware corporation, American Woodmark Corporation, a Virginia corporation (the "Company"), Alliance Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company, and Ronald M. Simon, solely in his capacity as the Stockholder Representative. Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in that certain Shareholders Agreement, dated as of November 30, 2017 (the "Shareholders Agreement"), by and among the Company and the Shareholders party thereto.

By executing and delivering this Joinder to Shareholders Agreement, the undersigned hereby acknowledges and agrees that it shall be deemed to be a party to, and a Shareholder under, the Shareholders Agreement as of the date hereof and shall be, and agrees to be, bound by all of the terms, provisions and conditions applicable to Shareholders under the Shareholders Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned has executed this Joinder to Shareholders Agreement as of the date first noted above.

BIC Investors, LLC

By: /s/ William Shutzer_____
Name: William Shutzer
Title: Manager

ACCEPTED AND AGREED as of the date first above written:

American Woodmark Corporation

By: /s/ S. Cary Dunston
Name: S. Cary Dunston
Title: President, Chief Executive Officer and Chairman of the Board

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Section 7: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION
I, S. Cary Dunston, certify that:

1. I have reviewed this report on Form 10-Q of American Woodmark Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ S. Cary Dunston
S. Cary Dunston
Chairman and Chief Executive Officer
(Principal Executive Officer)
Date: March 12, 2018

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Section 8: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION UNDER SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

CERTIFICATION
I, M. Scott Culbreth, certify that:

1. I have reviewed this report on Form 10-Q of American Woodmark Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ M. Scott Culbreth
M. Scott Culbreth
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)
Date: March 12, 2018

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Section 9: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

CERTIFICATION

The undersigned hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

1. The Quarterly Report on Form 10-Q of American Woodmark Corporation (the “Company”) for the quarter ended January 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 12, 2018
/s/ S. Cary Dunston
S. Cary Dunston
Chairman and Chief Executive Officer
(Principal Executive Officer)

Date: March 12, 2018
/s/ M. Scott Culbreth
M. Scott Culbreth
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

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