IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	:	Chapter 11
TRUE RELIGION APPAREL, INC., *et al.*,[1]	:	Case No. 17-11460
	:	(Joint Administration Requested)
Debtors.	:	

DECLARATION OF DALIBOR SNYDER, CHIEF FINANCIAL OFFICER, IN SUPPORT OF FIRST DAY PLEADINGS

I, Dalibor Snyder, declare and state as follows:

1. I am the Chief Financial Officer for True Religion Apparel, Inc. ("TRI") and each of its affiliates (collectively, the "Debtors") that have filed voluntary petitions (the "Chapter 11 Petitions") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") commencing these chapter 11 cases (the "Cases"). The Debtors and their non-debtor foreign affiliates (the "Non-Debtor Affiliates") are referred to herein collectively as "True Religion" or the "Company."

2. These Cases represent the culmination of the Debtors' efforts to achieve a mechanism for the successful restructuring of the Debtors' business for the benefit of the Debtors' stakeholders through the Plan (defined below). To minimize the adverse effects of filing Chapter 11 while at the same time moving the Debtors' restructuring efforts forward smoothly, therefore maximizing value for the benefit of stakeholders, the Debtors have filed a number of pleadings requesting various kinds of "first day" relief (collectively, the "First Day

[1] The Debtors, together with the last four digits of each Debtor's tax identification number, are: True Religion Apparel, Inc. (2633), TRLG Intermediate Holdings, LLC (3150), Guru Denim Inc. (1785), True Religion Sales, LLC (3441), and TRLGGC Services, LLC (8453). The location of the Debtors' headquarters and service address is: 1888 Rosecrans Avenue, Manhattan Beach, CA 90266.

Pleadings").[2] I submit this Declaration in support of the Chapter 11 Petitions and the First Day Pleadings. I am familiar with the contents of each First Day Pleading (including the exhibits and other attachments to such motions) and, to the best of my knowledge, after reasonable inquiry, believe the relief sought in each First Day Pleading: (a) is necessary to enable the Debtors to operate in chapter 11 with minimal disruption; (b) is critical to the Debtors' efforts to preserve value and maximize the likelihood of the successful restructuring of their business; and (c) best serves the Debtors' estates and creditors' interests. Further, it is my belief that the relief sought in the First Day Pleadings is narrowly tailored and necessary to achieve the goals of these chapter 11 cases.

3. Except as otherwise indicated, all statements set forth in this Declaration are based upon: (a) my personal knowledge; (b) information supplied to me by other members of the Debtors' management or the Debtors' professionals that I believe in good faith to be reliable; (c) my review of relevant documents; or (d) my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If called upon to testify, I could and would testify competently to the facts set forth in this Declaration. The Debtors have authorized me to submit this Declaration.

4. I have served as the Chief Financial Officer of TRI since August 2016, and prior to that, I served in various roles at TRI's business planning division beginning in December 2013 through November 2015. From November 2015 through August 2016, I served as the Chief Financial Officer of Sugarfina, Inc. In my various capacities at TRI, I have become familiar with the Debtors' businesses, operations and financial affairs. As part of my duties as CFO in these Cases, I will be overseeing and advising the Debtors on their day-to-day operations, budgets,

[2] Unless otherwise defined herein, capitalized terms in this Declaration shall have the meanings ascribed to them in the relevant First Day Pleading.

cash flows, financial analysis and overall restructuring and reorganization efforts. I hold my B.A. and M.B.A. degrees from Harvard University and Harvard Business School, respectively.

5. This Declaration is divided into five parts: (i) an overview of the Company; (ii) a summary of the Debtors' capitalization and primary prepetition indebtedness; (iii) the circumstances leading to the commencement of these Cases and the Debtors' internal restructuring initiatives; (iv) background and summary of the Restructuring Support Agreement (defined below) and objections in chapter 11; and (v) relevant facts in support of the First Day Pleadings.

EXECUTIVE SUMMARY

6. Founded in Los Angeles, California in 2002, the Company designs, markets, sells, and distributes premium fashion apparel, centered on its core denim products using the brand name "True Religion Brand Jeans." True Religion is a brand that is globally recognized for innovative, trendsetting denim jeans and apparel. The Company's products are distributed through wholesale and retail channels on six continents and through their websites at www.truereligion.com and www.last-stitch.com. On a global basis, as of the Petition Date, the Company had approximately 140 True Religion and Last Stitch retail stores and over 1,900 employees. For the fiscal year ended January 28, 2017, the Company reported total assets of $243.3 million against $534.7 million of liabilities on a consolidated basis. For the twelve months ended January 28, 2017, the Company generated $369.5 million of net revenue and posted a net operating loss of $78.5 million.

7. Like several other national retailers such as Quicksilver, Pacific Sunwear, American Apparel, Aéropostale, and BCBG, to name a few, the Company has been adversely affected by a macro consumer shift away from brick-and-mortar to online retail channels, among

other factors, resulting in recent losses. In addition, the premium denim market segment of the fashion industry in which the Company operates has been in decline over the last several years, compounding the negative impact on the Company's sales. As a result, over the past several years, as discussed more fully herein, the Company has aggressively cut costs and taken other internal restructuring measures, including three reductions in force and several closures of underperforming stores, and explored many alternatives to loosen existing liquidity. Given the size of the Company's debt, as part of its restructuring efforts, the Company considered more significant restructuring options, including approaching its existing secured lenders with the hope of negotiating a consensual restructuring. These negotiations were extensive, arms-length, spanning many months, and successfully culminated with the parties' execution of the Restructuring Support Agreement attached hereto as Exhibit A (the "Restructuring Support Agreement"), supported by 86.4% in amount of holders of First Lien Claims and 60.5% in amount of Second Lien Term Claims (the "Ad Hoc Group") and TRLG Holdings, LLC (the "Equity Parent"), that forms the outline for the plan of reorganization (the "Plan") concurrently filed herewith.

8. If confirmed, the Plan will result in a 72% deleveraging of the Debtors' balance sheet from approximately $493 million of funded debt as of the Petition Date to approximately $139.5 million upon emergence. The Plan proposes that over $386 million of First Lien Claims shall be converted into new equity of the Reorganized Debtors and new first lien term loans as more specifically set forth in the Plan. Citizens Bank, N.A. has agreed to provide a $60 million revolving debtor-in-possession credit facility to finance the Debtors through this process as well as a commitment to provide exit financing. With committed financing in place, the Debtors will operate during the chapter 11 cases in the ordinary course of business and be in a position to

move quickly and expeditiously to Plan confirmation. The Debtors will also utilize the benefits of chapter 11 case to continue to critically evaluate their lease portfolio, close or consolidate underperforming store locations, and renegotiate lease terms to the extent possible.

9. These cases were filed with the intention of confirming and implementing the Plan, allowing the Debtors to right-size their balance sheet while providing fair recoveries to all stakeholders. Unlike many retailers that are unable to reorganize, the Debtors have a viable path forward with the support of the Ad Hoc Group, their trade vendors, and a loyal customer base. The Company is pleased to be able to present for Court approval the Plan that will allow the Debtors to emerge with a healthy balance sheet, allow it to compete in the marketplace, continue to serve as an ongoing customer for its vendors, an ongoing tenant for dozens of leased locations, and save hundreds of domestic jobs in the process.

I. COMPANY OVERVIEW

A. Historical Overview

10. Founded by Jeff Lubell in 2002, the Company was at the forefront of the premium denim movement, turning jeans from a commodity into a fashion statement. The Company designs and retails trendsetting jeans with the iconic and trademarked horseshoe symbol. The True Religion brand offers a wide range of apparel including jeans, pants, women and knit tops, and outerwear made from denim, fleece, jersey, and other fabrics. The Company is known for its unique fits, washes, and styling details.

11. The Company's denim products are manufactured in the United States and internationally, depending on the product. True Religion jeans are designed in house by the Company's dedicated team of designers. The Company's products are distributed through wholesale and retail channels in all 50 states across the country, the District of Columbia, and six different continents as described in more detail below.

12. The Company leases its corporate headquarters, distribution facilities, and all of its retail stores. The Company's headquarters are located in Manhattan Beach, California. The Company has one distribution center in Fontana, California, as well as one showroom in the United States to display its apparel to buyers.

B. The Debtors' Business Operations

13. True Religion operates in four segments: (i) Direct to Consumer; (ii) Americas Wholesale; (iii) International; and (iv) Core Services. Each segment is discussed below.

1. Direct to Consumer

14. As of the Petition Date, the Company sells directly to consumers (DTC) in the United States and Canada through 128 retail stores, of which 73 are True Religion full-price retail stores, 53 are True Religion outlet stores, and 2 are Last Stitch retail stores. The U.S. retail stores are located in 33 states across the country. The average full-price store is typically 1,700 square feet and showcases the full range of True Religion branded merchandise. The outlet stores are typically 2,500 square feet. The Company also retails its products on the internet through www.truereligion.com and www.last-stitch.com. The Company's retail business competes in the highly competitive fashion industry.

15. For the fiscal year ended January 28, 2017, the Company's DTC business generated net sales totaling $273 million, accounting for approximately 73.9% of the Company's total net sales.

2. Americas Wholesale

16. As of the Petition Date, in addition to the True Religion-branded retail stores, True Religion products are sold at nearly 500 locations not operated by the Company across United States, Canada, Mexico, and South America. The Company has several valuable relationships with leading nationwide premium department stores, specialty retailers and

boutiques, and off-price retailers through which its products are sold, including Nordstrom, Bloomingdales, Saks Fifth Avenue, Off 5th, and Nordstrom Rack, e-commerce sites, and others.

17. For the fiscal year ended January 28, 2017, the Company's Americas Wholesale business generated net sales totaling approximately $54 million, accounting for approximately 14.6% of the Company's total net sales.

3. International

18. Sales of the Debtors' products are made internationally through a variety of distribution channels including Company-owned stores and distributor-owned stores. As of the Petition Date, the International division consists of (i) 11 international stores outside North America, of which 6 are True Religion full-price retail stores and 5 are True Religion international outlet stores, and (ii) wholesale operations. In 2010, the Company also formed a joint venture with UNIFA Premium GmbH (60% owned by True Religion and 40% owned by UNIFA) that distributes True Religion apparel in select European countries and operates certain of the True Religion Stores located in Germany and the Netherlands. The Company sells directly to wholesale customers or has wholesale distribution agreements in various other countries and continents, including in Africa, Australia, Europe, the Middle East, and Asia.

19. For the fiscal year ended January 28, 2017, the Company's International business generated net sales totaling approximately $40.8 million, accounting for approximately 11.1% of the Company's total net sales.

4. Core Services (Licensing Business)

20. The Core Services unit records all of the Company's corporate operations, including design, production, marketing, credit, customer services, information technology, accounting, executive, legal, and human services departments.

21. In addition, the Company selectively licenses to third parties the right to use its various trademarks in connection with the manufacture and sale of designated products. The licenses typically have three-year terms and the Debtors may grant the licensee conditional renewal options. For the fiscal year ended January 28, 2017, the Company recognized $1.7 million in royalty revenue.

5. Intellectual Property Portfolio

22. The Company has invested heavily in developing and maintaining a large portfolio of copyright, patent, and trademark registrations in the United States and internationally. The Company owns registrations in the United States and certain foreign countries of the "True Religion" "True Religion Brand Jeans", "True Jeans," and the horseshoe trademark, among others. As of the Petition Date, the Company's intellectual property portfolio consists of 7 copyrights, 15 patents, and over 390 registered trademarks worldwide.

6. Employees

23. As of the Petition Date, the Debtors employed approximately 1,705 employees, of which 621 are employed full-time and 1,084 are employed part-time. The Debtors are not party to any collective bargaining agreement and none of the employees are unionized. On a collective basis, with their non-debtor global affiliates, the Company employs over 1,900 individuals worldwide.

C. The Debtors' Corporate Organizational Structure

24. The Debtors are five privately held, affiliated companies. TRLG Intermediate Holdings, LLC ("Holdings"), the direct or indirect parent of each of the Debtors, is a Delaware limited liability company, and is a non-operating holding company. True Religion Apparel, Inc. ("TRI"), a Delaware corporation, owns 100% of the interests of Guru Denim, Inc., a California

corporation. Guru Denim, Inc., in turn, owns 100% of the interests of True Religion Sales, LLC, a Delaware limited liability company, as well as 100% of the ownership interests in certain non-debtor foreign affiliates of the Debtors. (Certain of the Debtors' foreign subsidiaries or affiliates, in turn, own other foreign affiliates). True Religion Sales, LLC, which is the main operating company for the U.S. operations, owns 100% of the equity of TRLGGC Services, LLC, a Virginia limited liability company, which holds and manages the Debtors' gift card liability. A corporate organization chart depicting the ownership structure of the Debtors and their Non-Debtor Affiliates is attached as Exhibit B.

25. Prior to July 2013, shares of the Company were publicly listed. On July 30, 2013, the Company completed a going-private transaction with affiliates of TowerBrook Capital Partners L.P. ("TowerBrook Capital"). As of the Petition Date, Holdings is 100% owned by Equity Parent, which in turn is majority owned by TI III TRLG Holdings, LLC ("TI Holdings"), an affiliate of TowerBrook Capital. TI Holdings, in turn, is owned by three TowerBrook Capital affiliates who are collectively referred to herein, with TI Holdings and Equity Parent, as "TowerBrook". Also, as of the Petition Date, minority interests in Equity Parent are held by Thomas O'Neill, one of the Debtors' current directors, who holds a 0.05% interest on a fully diluted basis, and by other individuals who are officers or employees of the Debtors who hold vested and unvested interests in Equity Parent.

26. The Debtors understand that, prior to February 2016, TI Holdings or its affiliates purchased a portion of the Prepetition First Lien Obligations (defined below) and, as of June 27, 2017, TI Holdings, holds approximately 5.9% thereof.

II. DEBTORS' CAPITALIZATION AND PRIMARY PRE-PETITION INDEBTEDNESS

27. The Debtors are obligated under an asset-based, secured credit facility and have issued or guaranteed over $483 million in principal obligations. These obligations, and the priorities of liens between and among the Debtors' prepetition secured lenders, are discussed below.

A. Prepetition ABL Debt

28. *Prepetition ABL Credit Agreement.* The Prepetition ABL Lenders (as defined below) extended a $60,000,000 first priority senior secured asset-based revolving credit facility (the "Prepetition ABL Facility"), including a $25,000,000 sub-facility for Letters of Credit (as defined in the Prepetition ABL Credit Agreement (as defined below)), pursuant to that certain ABL Credit Agreement, dated as of July 30, 2013 (as amended, restated, or otherwise modified from time to time, the "Prepetition ABL Credit Agreement," and together with the Prepetition ABL Security Agreement (as defined below) and the other Credit Documents (as defined in the Prepetition ABL Credit Agreement), the "Prepetition ABL Credit Documents"), among TRI, as borrower, Deutsche Bank AG New York Branch, as administrative and collateral agent (the "Prepetition ABL Agent"), and the lenders party thereto from time to time (the "Prepetition ABL Lenders," and, together with the Prepetition ABL Agent and the other Secured Creditors (as defined in the Prepetition ABL Credit Documents), the "Prepetition ABL Secured Parties"). As of the Petition Date, the Debtors party to the Prepetition ABL Credit Documents are indebted to the Prepetition ABL Secured Parties pursuant to the Prepetition ABL Credit Documents in the aggregate outstanding principal amount of $12,000,000 and Existing L/Cs in an aggregate face amount of $5,051,858 plus accrued and unpaid interest with respect thereto and any additional fees, costs, expenses and all other Obligations (as defined in the Prepetition ABL Credit

Agreement) owing under or in connection with the Prepetition ABL Credit Documents (including, without limitation, any obligations under the Existing L/Cs (as defined above), collectively, the "Prepetition ABL Obligations").

29. *Prepetition ABL Collateral.* In connection with the Prepetition ABL Credit Agreement, the Debtors entered into that certain Security Agreement, dated as of July 30, 2013 (as amended, restated, amended and restated, waived, supplemented, or otherwise modified from time to time, the "Prepetition ABL Security Agreement"), by and between the Debtors, as grantors, and the Prepetition ABL Agent, as collateral agent for the Prepetition ABL Lenders and the other Prepetition ABL Secured Parties. Pursuant to the Prepetition ABL Security Agreement and the other Prepetition ABL Credit Documents, the Prepetition ABL Obligations are secured by valid, binding, perfected and enforceable (x) first priority liens on, and security interests in, the ABL Facility Priority Collateral (as defined in the Intercreditor Agreement (as defined below)) (the "Prepetition ABL Collateral First Liens") that are senior to the Prepetition ABL Collateral Second Liens and the Prepetition ABL Collateral Third Liens (each as defined below) and (y) third priority liens on, and security interests in, the Term Loan Priority Collateral (as defined in the Intercreditor Agreement) that are junior and subordinate to the Prepetition Term Collateral First Liens and the Prepetition Term Collateral Second Liens (each as defined below) (the "Prepetition Term Collateral Third Liens" and, together with the Prepetition ABL Collateral First Liens, the "Prepetition ABL Secured Party Liens"), in each case, subject to certain exclusions as set forth in the Prepetition ABL Credit Documents.

30. *Prepetition ABL Guarantee.* Pursuant to the Prepetition ABL Credit Documents, each of the Guarantors (as defined in the Prepetition ABL Credit Agreement) has delivered to the

Prepetition ABL Agent an unconditional joint and several guaranty of the Prepetition ABL Obligations, which guaranty is secured by the Prepetition ABL Secured Party Liens.

B. Prepetition First Lien Term Debt

31. *First Lien Credit Agreement.* The First Lien Lenders (as defined below) extended a $400,000,000 first priority, senior secured term loan facility of which $386,000,000 in aggregate principal amount remains outstanding (the "First Lien Facility") pursuant to that certain First Lien Credit Agreement, dated as of July 30, 2013 (as amended, restated, or otherwise modified from time to time, the "First Lien Credit Agreement," and together with the First Lien Security Agreement (defined below) and the other Credit Documents (as defined in the First Lien Credit Agreement), the "First Lien Credit Documents"), among TRI, as borrower, Delaware Trust Company (as successor to Deutsche Bank AG New York Branch), as administrative and collateral agent (the "First Lien Agent"), and the lenders party thereto from time to time (the "First Lien Lenders," and, together with the First Lien Agent and the other Secured Creditors (as defined in the First Lien Credit Documents), the "Prepetition First Lien Secured Parties"). As of the Petition Date, the Debtors party to the First Lien Credit Documents are indebted to the Prepetition First Lien Secured Parties pursuant to the First Lien Credit Documents in respect of loans in the aggregate outstanding principal amount of $386,000,000 plus accrued and unpaid interest with respect thereto and any additional fees, costs, expenses and all other Obligations (as defined in the First Lien Credit Agreement) owing under or in connection with the First Lien Credit Documents (collectively, the "Prepetition First Lien Obligations").

32. *First Lien Collateral.* In connection with the First Lien Credit Agreement, the Debtors entered into that certain Security Agreement, dated as of July 30, 2013 (as amended, restated, amended and restated, waived, supplemented, or otherwise modified from time to time,

the "First Lien Security Agreement"), by and between the Debtors, as grantors, and the First Lien Agent, as collateral agent for the First Lien Lenders and the other Prepetition First Lien Secured Parties. Pursuant to the First Lien Security Agreement and the other First Lien Credit Documents, the Prepetition First Lien Obligations are secured by valid, binding, perfected and enforceable (x) first priority liens on, and security interests in, the Term Loan Priority Collateral (the "Prepetition Term Collateral First Liens") that are senior to the Prepetition Term Collateral Second Liens and the Prepetition Term Collateral Third Liens and (y) second priority liens on, and security interests in, the ABL Facility Priority Collateral that are junior and subordinate to the Prepetition ABL Collateral First Liens and senior to the Prepetition ABL Collateral Third Liens (the "Prepetition ABL Collateral Second Liens" and, together with the Prepetition Term Collateral First Liens, the "Prepetition First Lien Secured Party Liens"), in each case, subject to certain exclusions as set forth in the First Lien Credit Documents.

33. *Prepetition First Lien Guarantee.* Pursuant to the First Lien Credit Documents, each of the Guarantors (as defined in the First Lien Credit Agreement) has delivered to the First Lien Agent an unconditional joint and several guaranty of the Prepetition First Lien Obligations, which guaranty is secured by the Prepetition First Lien Secured Party Liens.

C. Prepetition Second Lien Term Debt

34. *Second Lien Facility.* The Second Lien Lenders (as defined below) extended a $85,000,000 second priority senior secured term loan facility (the "Second Lien Facility") pursuant to that certain Second Lien Credit Agreement, dated as of July 30, 2013 (as amended, restated, or otherwise modified from time to time, the "Second Lien Credit Agreement," and together with the Second Lien Security Agreement (as defined below) and the other Credit Documents (as defined in the Second Lien Credit Agreement), the "Second Lien Credit Documents"), among TRI, as borrower, Wilmington Trust, National Association (as successor to

Deutsche Bank AG New York Branch), as administrative and collateral agent(the "Second Lien Agent"), and the lenders party thereto from time to time (the "Second Lien Lenders," and, together with the Second Lien Agent and the other Secured Creditors (as defined in the Second Lien Credit Documents), the "Prepetition Second Lien Secured Parties"). As of the Petition Date, the Debtors are indebted to the Prepetition Second Lien Secured Parties pursuant to the Second Lien Credit Documents in respect of loans in the aggregate outstanding principal amount of $85,000,000 plus accrued and unpaid interest with respect thereto and any additional fees, costs, expenses and all other Obligations (as defined in the Second Lien Credit Agreement) owing under or in connection with the Second Lien Credit Documents (collectively, the "Prepetition Second Lien Obligations" and together with the Prepetition ABL Obligations and the Prepetition First Lien Obligations, the "Prepetition Secured Obligations").

35. *Second Lien Collateral.* In connection with the Second Lien Credit Agreement, the Debtors entered into that certain Security Agreement, dated as of July 30, 2013 (as amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time, the "Second Lien Security Agreement"), by and between the Debtors, as grantors, and the Second Lien Agent, as collateral agent for the Second Lien Lenders and the other Prepetition Second Lien Secured Parties. Pursuant to the Second Lien Security Agreement and the other Second Lien Credit Documents, the Prepetition Second Lien Obligations are secured by valid, binding, perfected and enforceable (x) second priority liens on, and security interests in, the Term Loan Priority Collateral (the "Prepetition Term Collateral Second Liens") that are junior and subordinate to the Prepetition Term Collateral First Liens and senior to the Prepetition Term Collateral Third Liens, and (y) third priority liens on, and security interests in, the ABL Facility Priority Collateral that are junior and subordinate to the Prepetition ABL Collateral First Liens

and the Prepetition ABL Collateral Second Liens (the "Prepetition ABL Collateral Third Liens" and, together with the Prepetition Term Collateral Second Liens, the "Prepetition Second Lien Secured Party Liens" and, together with the Prepetition ABL Secured Party Liens and the Prepetition First Lien Secured Party Liens, the "Prepetition Liens"), in each case, subject to certain exclusions as set forth in the Second Lien Credit Documents.

36. *Prepetition Second Lien Guarantee.* Pursuant to the Second Lien Credit Documents, each of the Guarantors (as defined in the Second Lien Credit Agreement) has delivered to the Second Lien Agent an unconditional joint and several guaranty of the Prepetition Second Lien Obligations, which guaranty is secured by the Prepetition Second Lien Secured Party Liens.

D. Intercreditor Agreement

37. The Prepetition Agents (i.e., the Prepetition ABL Agent, the First Lien Agent, and the Second Lien Agent) are parties to that certain Intercreditor Agreement, dated as of July 30, 2013 (as amended, restated, or otherwise modified from time to time, the "Intercreditor Agreement"). The Intercreditor Agreement, among other things, provides for the relative priority of the respective prepetition liens and security interests of the Prepetition Agents in and to the ABL Facility Priority Collateral and the Term Loan Priority Collateral (collectively, the "Prepetition Collateral"), pursuant to the terms set forth therein.

E. Other Prepetition Obligations

38. As of July 3, 2017, the Debtors had an estimated $8.6 million of outstanding accounts payable owing to vendors, service providers, and landlords.

III. CAUSES OF BANKRUPTCY AND INTERNAL RESTRUCTURING INITIATIVES

A. Events Leading to Chapter 11

39. From 2007 through 2012, the Debtors' business nearly tripled in size with net revenue at $490 million and EBITDA at $92 million in 2013. Beginning in 2013, the Debtors began experiencing declining sales caused by the general trend of consumers away from traditional retail to online shopping. The continuing fundamental shift in consumer behavior away from brick-and-mortar and mall shopping toward online retailing has decreased traffic and negatively impacted sales in the Company's physical locations as well as the wholesale accounts to which the Company sells. The volume of retailers either going out of business, over-inventoried or closing a significant number of physical locations has created a highly competitive promotional environment wherein the Company must utilize significant promotional efforts to be competitive and attract its fair share of consumer traffic and drive sales.

40. At the same time, changing consumer preferences in the specialty retail segment, and in particular, premium denim, have compounded the broader retail industry-wide challenges. Denim entered a down cycle in 2013, caused in part by the growth of the "athleisure" trend. Competition has also increased from emerging and established fast fashion and low-priced apparel retailers, which has compressed pricing and put pressure on the Company's gross margin rates. In addition, the rapid rise and high profitability of the premium denim segment before 2013, led in part by True Religion, attracted new companies and brands with focused style segmentation/specialization between clean and embellished product, further fragmenting the premium denim consumer base, particularly in the women's category. This increase in available consumer choice and volume of premium denim purveyors eroded overall True Religion market share in the premium denim segment.

41. In addition to broader industry shifts, the Company's financial performance was further adversely impacted by new product designs launched by the Company that failed to resonate with the consumer and investments in brand repositioning through new store concepts that performed below expectations.

B. Internal Restructuring Initiatives

42. In response to declining performance, the Company has made several concerted internal restructuring efforts. First, the Company changed senior leadership in 2015 hiring a new Chief Executive Officer, Chief Marketing Officer and Vice President of Sourcing. In order to reduce costs, the Company also accelerated the shift to offshore manufacturing. Moreover, the Company has undertaken a targeted and tenacious reduction in SG&A costs in areas such as reductions in force, modifying retail incentive plans, consolidating delivery, negotiating with vendors, and reducing travel, expense and sample spending, among other cost-cutting efforts.

43. Such measures showed promise as early results indicated that the business was stabilizing and the decline between current year and prior year EBITDA was shrinking. However, in early 2016, the Company saw further deterioration in customer traffic, top line business, gross margins and EBITDA. As a result, the Company addressed the decline in performance through a variety of additional initiatives, including but not limited to:

a. Evaluating and reducing the store fleet, including closing 20 unprofitable retail stores in 2016;

b. Focusing the product range to enhance brand perception and reinforce product messaging;

c. Redirecting resources in support of digital commerce to drive increased sales in this growth channel, enhance customer intelligence, and significantly add customers to the Company's data base;

d. Increasing brand awareness through social media campaigns;

e. Streamlining the timeline between design and go-to-market;

f. Implementing a targeted reduction-in-force at corporate headquarters by approximately 25% to better align headcount with the Company's go-forward strategy and reduce complexity and hierarchy; and

g. Hiring a new Chief Financial Officer in August 2016.

44. The Debtors have undertaken a critical and extensive evaluation of their lease portfolio, including engaging various real estate professional firms from time to time to assist them in their efforts. As a result, the Debtors have been engaged in landlord discussions either for re-negotiation of terms or a consensual termination of various leases and expect that these discussions will continue post-petition. In recent years, the Debtors have closed 30 underperforming locations worldwide and anticipate closing additional locations in 2017.

45. Although all these internal efforts have helped the bottom line, the Company could not change its trajectory quickly enough given the broader industry headwinds, looming debt maturity date, and high occupancy costs (even after taking into account the reduced store footprint). While the Company possessed ample liquidity, it realized its long-term prospects would be greatly enhanced by reducing outstanding debt. In March 2016, the Company retained a financial advisory firm, MAEVA Group, LLC ("MAEVA"), to assist and advise the Company in business strategy, financial forecasting, and devising and assessing potential restructuring proposals and any potential restructuring transaction.

IV. THE RESTRUCTURING SUPPORT AGREEMENT AND OBJECTIVES IN CHAPTER 11

A. Creditor Negotiations and Entry into the Restructuring Support Agreement

46. The Company and TowerBrook realized that without a balance sheet restructuring, there would be limited ability for growth going forward. In order to address the Company's over-levered balance sheet and proactively address its 2019 and 2020 debt maturities under the Prepetition First Lien Loan Agreement and Prepetition Second Lien Loan Agreement, the Company, with the participation of TowerBrook, and with the advice and support of MAEVA, reached out to its secured lenders. The Company and TowerBrook began discussions with certain First Lien Lenders and Second Lien Lenders in September 2016. Since November 2016, the Company and TowerBrook have been in active negotiations with the Ad Hoc Group through their lead counsel (Akin Gump Strauss Hauer & Feld LLP) and their financial advisor (Moelis & Company, LLP) (collectively, the "Holder Parties' Professionals"), over the terms of a potential restructuring.

47. The Debtors (with MAEVA), TowerBrook and the Holder Parties (as defined in the Restructuring Support Agreement) attended several in-person meetings and exchanged several comprehensive restructuring proposals to right size the Debtors' balance sheet and enable the Debtors to be well-positioned going forward from an operational perspective.

48. In addition, in the months leading up to the commencement of these Chapter 11 Cases, the Company executed multiple forbearance agreements and limited waivers with the Prepetition ABL Lenders, the First Lien Lenders and the Second Lien Lenders, providing the Company with interim covenant relief as the parties worked towards a consensual restructuring.

49. The negotiations between the Company, TowerBrook, and the Ad Hoc Group culminated into the entry of the Restructuring Support Agreement between the Company, Equity

Parent, and the Holder Parties. The Restructuring Support Agreement outlines the terms of a plan of reorganization that will allow the Company to quickly emerge from Chapter 11 with a balance sheet that has 72% less funded debt from the Petition Date and other reduction in liabilities while simultaneously providing the Company an opportunity to execute on its operational restructuring strategies outlined above. With a significantly deleveraged balance sheet and support from the Holder Parties, the Company will be positioned for long-term growth and be in a position to continue to implement and execute its turnaround plan. Substantially all holders of the Debtors' Prepetition First Lien Claims have signed the Restructuring Support Agreement, even though the Plan contemplates distributions to junior creditors and to equityholders, subject to the terms of the Plan.

50. In connection with the Restructuring Support Agreement, the Debtors also obtained the Holder Parties' support of the Debtors' use of cash collateral and the Debtors' proposed DIP Facility, as further described below.

51. The Restructuring Support Agreement obligates the Debtors to, among other things, take all necessary action reasonably required to propose and seek confirmation of the Plan. Under both the Restructuring Support Agreement and the DIP Facility, the Debtors agreed to certain milestones designed to ensure that the Debtors move expeditiously towards conformation of the Plan. Specifically, the DIP Facility milestones include:

Interim DIP Order Approval	No later than 5 business days following the Petition Date
Motion to Extend 365(d)(4) Deadline Filed	No later than 10 days after the Petition Date
Motion to Extend 365(d)(4) Deadline Approved	No later than 35 days after the Petition Date
Final DIP Order Approval	No later than 40 days following the Petition Date
Disclosure Statement Approval	No later than 65 days following the Petition Date

Plan Confirmation of Acceptable Plan	No later than 100 days following the Petition Date
Plan Consummation	The earlier of (i) 120 days following the Petition Date or (ii) October 30, 2017

B. Objectives in Chapter 11

52. Consistent with the Restructuring Support Agreement, on July 5, 2017, the Debtors commenced these voluntary Chapter 11 Cases. The Company has a clearly defined vision and go-forward plan to drive strategic and financial growth. The go-forward plan focuses on: (i) global e-commerce expansion; (ii) targeted efforts to acquire new customers and to increase brand awareness; (iii) increasing distributor relationships on a global basis and increasing brand licensing globally; (iv) expanding pop-up outlet stores; and (v) expanding the Last Stitch retail stores concept.

53. The pop-up outlets have been profitable for the Debtors, require significantly less outlay of capital than traditional outlet stores to open, and are based on short-term leases (18 months or less) with little downside for the Company. The pop-up outlets enable the Debtors to also reinforce their brand in targeted locations near their key customer base without the capital outlay of opening a traditional outlet store. During the course of these cases, the Debtors intend to open three to four additional pop-up outlets consistent with their past practices and their go-forward business plan. In addition, the Debtors have had success with converting certain of their True Religion locations to "Last Stitch" branded locations. During the course of these cases, the Debtors intend to open two additional Last Stitch locations consistent with their past practices.

54. Early results of the Company's initiatives have shown promise. Nevertheless, the Company's maturing capital structure and high store occupancy costs, require restructuring before the Company can complete its turnaround and growth strategy. Through the Plan

contemplated by the Restructuring Support Agreement and the Ad Hoc Group's commitments thereunder, the Debtors intend to emerge from bankruptcy quickly, with a drastically reduced debt load.

55. Moreover, the Debtors believe that the Plan, by enabling the Debtors to emerge quickly as a going concern, is in the best interest of their estates and will permit the Debtors to avoid liquidation through a successful rehabilitation of the Company and its business.

V. FIRST DAY PLEADINGS

56. To enable the Debtors to minimize the adverse effects of these cases, the Debtors are requesting various types of relief in their First Day Pleadings. Generally, the First Day Pleadings are designed to meet the Debtors' goals of (a) continuing their operations in chapter 11 with as little disruption and loss of productivity as possible, (b) maintaining the confidence and support of their customers, employees, vendors, suppliers, and service providers during the Debtors' reorganization process, and (c) establishing procedures for the smooth and efficient administration of these chapter 11 cases.

57. I have reviewed each of the First Day Pleadings and believe the facts set forth therein are true and correct. I believe that the relief sought in each of the First Day Pleadings is narrowly tailored to meet the goals described above and, ultimately, will enhance the Debtors' ability to achieve a successful reorganization. Furthermore, I believe that with respect to those First Day Pleadings requesting the authority to pay discrete prepetition claims or to continue selected prepetition programs, the relief requested is essential to the Debtors' reorganization and granting the relief within the first twenty-one days of the chapter 11 cases is necessary to avoid immediate and irreparable harm to the Debtors and their employees, customers, vendors, and creditors.

58. The Debtors have an immediate need to continue the orderly operation of their business by securing goods and paying employees in the normal course of business. The Debtors' continued operations will enable them to preserve the going concern value of their estates and main vendor and customer confidence.

A. Administrative and Procedural Motions

59. The Debtors will present several purely administrative or procedural First Day Pleadings: (a) a motion to jointly administer the Debtors' bankruptcy cases, (b) a motion to file a consolidated list of creditors, and (c) an application to employ Prime Clerk LLC ("Prime Clerk") as claims and noticing agent under 28 U.S.C. § 156.

B. Debtors' Motion to File a Consolidated List of Creditors in Lieu of Submitting a Separate Mailing Matrix for Each Debtor ("Consolidated Matrix Motion")

60. As in many large chapter 11 cases that are jointly administered, the Debtors do not maintain lists of the names and addresses of their respective creditors on a debtor-specific basis. The Debtors have prepared a consolidated creditor matrix that may receive certain notices during these cases. Requiring the Debtors to segregate and convert their records to provide five separate Debtor-specific creditor matrices would be unnecessarily burdensome and would result in duplicate filings.

61. Similarly, the Debtors have proposed certain notice procedures that are designed to (a) provide service of most documents only to those parties in interest on a "Master Service List," with any party in interest eligible to be put on the Master Service List upon request, and (b) with several exceptions, provide electronic service of documents whenever possible to reduce costs and to speed up the service process. The Debtors believe that these procedures are fair, will provide adequate service to all relevant parties of all pleadings and documents, and will save

significant amounts in administrative costs that would otherwise detract from potential recoveries in these cases.

C. Motion for Entry of an Order Authorizing the Debtors to (I) Pay and/or Honor Prepetition Wages, Salaries, Commissions, Incentive Payments, Employee Benefits, and Other Compensation and Pay Temporary and Contract Workers; (II) Remit Withholding Obligations and Deductions; (III) Maintain Employee Compensation and Benefits Programs and Pay Related Administrative Obligations; and (IV) Have Applicable Banks and Other Financial Institutions Receive, Process, Honor, and Pay Certain Checks Presented for Payment and Honor Certain Fund Transfer Requests ("Employee Wage & Benefits Motion")

62. The Debtors and their affiliates employ approximately 1,705 people, of which 621 are employed full-time and 1,084 are employed part-time. The continued and uninterrupted support of the Debtors' employees is essential to the success of the Debtors' business. Maintaining the goodwill of the Debtors' employees and ensuring the uninterrupted availability of their services will protect the going concern value of the estates and maximize the value ultimately available to creditors by assisting the Debtors in maintaining the necessary "business as usual" atmosphere and preserving the Debtors' relationships with customers and vendors. Interruptions in payment of prepetition employee-related obligations, including wages, health and other benefits, and reimbursement of business expenses, will impose hardship on the employees and is certain to jeopardize their continued performance during this critical time.

63. To minimize the personal hardship that employees will suffer if prepetition employee-related obligations are not paid when due, and to maintain the employees' morale during this critical time, it is important that the Debtors be permitted to pay and/or perform, as applicable, employee-related obligations, including: (a) employee wages, salaries, commissions, incentive payments, vacation and holiday pay, and other accrued compensation, (b) prepetition business expenses, (c) prepetition contributions to, and benefits under, employees' benefit plans (medical, dental, vision), (d) remittances to various third party employee-benefit providers on

behalf of employees, and all Prepetition Employee Obligations as defined in the Employee Wage & Benefits Motions, including:

Wages or Benefits	Total
Gross Wages	$1,400,000
Ceridian administrative fees (payroll processing)	$50,000
Reimbursable Expenses	$175,000
Third Party Labor Provider Costs	$475,000
Prepetition Commissions	$285,000
Incentive Program Payments	$875,000
Closing Store Manager Payments	$25,000
CBIZ Health Plan administrative fees	$20,000
Medical Plan premium amounts	$330,000
Dental Plan premium amounts	$35,000
Vision Plan premium amounts	Included in Medical Premium Cap
COBRA Administrative fees	$3,000
Flexible Spending Account fees	$7,500
Health Savings Account fees	$5,000
Basic Life Insurance Plan, AD&D and Employee Disability Plan	$25,000
401(k) Plan Audit Fees	$25,000
Miscellaneous Benefits Fees	$10,000
BWC Workers' Compensation Payments (Ohio)	$10,000
Washington Agency Workers' Compensation Payments	$12,000

D. Debtors' Motion for Entry of an Order Authorizing the Debtors to Honor Certain Prepetition Obligations to Customers and to Otherwise Continue Certain Customer Programs in the Ordinary Course of Business ("Customer Programs Motion")

64. Maintaining the loyalty, support, and goodwill of their customers is critical to the Debtors' reorganization efforts. In addition, the Debtors must maintain positive customer

relationships and their reputation for reliability to ensure that their customers continue to purchase the Debtors' products during the pendency of these chapter 11 cases.

65. Specifically, the Customer Programs generally relate to the Debtors' programs in which they offer gift cards (of which an estimated $1,000,000 remains outstanding as of the Petition Date), refunds and exchanges, merchant credits and discounts, and coupons to retail customers. The Debtors also provide Customer Programs to wholesale customers with respect to returns, wholesale discounts, cooperative advertisement, markdown allowance and other Customer Programs summarized in the Customer Programs Motion. The Debtors believe that their ability to continue the Customer Programs and to honor their obligations thereunder in the ordinary course of business is necessary to retain their reputation for reliability, to meet competitive market pressures, and to ensure customer satisfaction, in order to retain current customers, attract new ones, and, ultimately, enhance revenue and profitability for the benefit of all the Debtors' stakeholders.

66. The Debtors utilize several credit card companies and Paypal to process customer sales less any chargebacks, returns, and any processing fees charged. Maintaining use of the credit cards is essential to the continuing operation of the Debtors' business because the vast majority of the Debtors' sales are made using these payment methods.

67. The Debtors operate in a very competitive sector, and much of the success and viability of the Debtors' businesses are dependent upon brand loyalty, the Debtors' reputation and confidence of their customers. Continued customer support is essential to the success of the Debtors' businesses and the preservation of the value of their estates. The failure to honor the Customer Obligations in the ordinary course and without interruption would almost certainly cause the Debtors to suffer an irreparable loss of customer support and confidence, and those

customers might in the future make their purchases elsewhere as a result. The loss of customers would, without a doubt, detrimentally affect the Debtors' business and the recoveries to creditors.

E. Debtors' Motion for Entry of an Order Authorizing Debtors to Pay Prepetition Claims of Critical Vendors and Granting Related Relief ("Critical Vendor Motion")

68. The Debtors' business relies on their access to and relationship with a network of vendors and suppliers. The Debtors' ability to generate income is dependent on sales of premium fashion apparel which is dependent, in large part, on customer traffic and satisfaction. If the quality and volume of the Debtors' merchandise decreases, sales will decrease as well. Any disruption in the Debtors' supply of merchandise would have a far-reaching economic and operational impact on their business.

69. The vast majority of the Debtors' merchandise is provided by a broad network of vendors that, for the most part, conduct business with the Debtors on an invoice by invoice or purchase order by purchase order basis, and not pursuant to long-term contracts. The Debtors also rely on key service providers. These vendors typically supply their customers with services ("Non-product Vendors") and products ("Product Vendors") on trade terms based on their experience with and perceived risk of conducting business with such customers.

70. It is essential to the success of the Debtors' restructuring effort that they be able to maintain the supply of merchandise to their retail stores and via direct sales to their customers and that they are able to continue to rely on service providers to operate their business. Failure to continue sourcing and managing inventory and sales through their existing network of vendors and service providers on commercially reasonable terms could have catastrophic consequences for the Debtors.

71. The Debtors undertook a process to identify the Critical Vendors using the following criteria: (i) whether a vendor is a sole-source or primary provider of services or products; (ii) whether certain customizations, specifications, or volume requirements prevent the Debtors from obtaining a vendor's goods or services from alternative sources within a reasonable timeframe; and (iii) if a vendor is not a sole-source or primary provider of services or products, whether the Debtors can continue to operate in the ordinary course while a replacement vendor is secured. As a result of their critical review and evaluation, the Debtors have identified a narrow subset of vendors as Critical Vendors.

72. The Critical Vendors do not operate under formal contracts with the Debtors. Instead, the Critical Vendors rely on prompt and full payment. Absent assurance of immediate payment either in part or in whole, the Critical Vendors could refuse to deliver goods or services to the Debtors. The Debtors believe that it would be extremely difficult, if not impossible, to replace the Critical Vendors within a reasonable time without severe disruption to the Debtors' business. Such harm would likely far outweigh the cost of payment of the Critical Vendor Claims.

73. As of the Petition Date, the Debtors are current on payments to certain of the Critical Vendors but will owe amounts that have accrued immediately prior to the Petition Date for which they have not yet been invoiced or payment is not yet due and which do not fall within the relief requested in the Administrative Expense Motion (defined below). The Debtors anticipate the total amount of Critical Vendor Claims will be approximately $4,000,000.00 (the "Critical Vendor Cap").

74. Given the importance of the goods or services provided by the Critical Vendors, I believe it is imperative that the Debtors be granted, on an emergency basis, the flexibility and

authority to satisfy the prepetition claims of the Critical Vendors up to the Critical Vendor Cap, as any disruption in the Debtors' ability to adequately stock their retail stores and provide merchandise directly to their customers would cause immediate and irreparable damage to the Debtors' business.

F. Motion Pursuant to Sections 105(a), 507(a)(8), And 541(d) of the Bankruptcy Code for an Order Authorizing the Payment of Prepetition Sales, Use and Franchise Taxes and Similar Taxes and Fees ("Tax Motion")

75. The Debtors, in the ordinary course of their business, incur various tax liabilities, including, among other things, sales and use taxes, franchise taxes, business licenses, permits, and other fees, as well as other taxes, fees and governmental obligations (the "Prepetition Taxes"). The Debtors have reviewed their books and records and believe that, as of the Petition Date, accrued but unpaid prepetition liabilities incurred in the ordinary course of business total approximately $1,663,000 in unremitted Sales and Use Taxes, $200,000 in unremitted Franchise Taxes, and $40,000 of various taxes and fees for business licenses, annual reports, various permits, and other similar types of taxes and fees. The Debtors also utilize a third-party tax processing company to process and remit sales and use taxes, Avalara, Inc., who may be owed $10,000 in fees as of the Petition Date.

76. The Debtors seek entry of an order authorizing them to pay the Prepetition Taxes. The Debtors have ample business justification to pay the Prepetition Taxes because it is my understanding that (a) many, if not all, of the Prepetition Taxes would be priority claims under the Bankruptcy Code that likely would be paid in full under a chapter 11 plan, (b) certain of the Prepetition Taxes may not constitute property of the Debtors' estates, (c) the Debtors are required to pay the Prepetition Taxes to maintain their good standing in the jurisdictions in which they do business, (d) failure to pay certain Prepetition Taxes could give rise to liens on certain of the Debtors' property, and (e) the Debtors' directors and officers could face personal liability if

certain Prepetition Taxes are not paid. Therefore, to prevent immediate and irreparable harm that would result from such disruptions and distractions, the Debtors seek authority to pay these claims on a first day basis up to a maximum amount of $1,925,000 in the aggregate.

G. Debtors' Motion for Order (I) Authorizing Payment of Section 503(b)(9) Claims and (II) Confirming Administrative Expense Priority Status of Debtors' Undisputed Obligations for Postpetition Delivery of Goods Ordered Prepetition ("Administrative Expense Motion")

77. Payment of 503(b)(9) Claims. The Debtors received numerous goods in the ordinary course business during the twenty-day period immediately preceding the Petition Date. The Debtors believe that certain of the vendors and suppliers who delivered goods to the Debtors during the twenty-day period prior to the Petition Date but have not received payment for such goods (the "503(b)(9) Claimants") likely will either (a) refuse to continue to fill new purchase orders with the Debtors while these claims remain unpaid and/or (b) seek the allowance and payment of those claims (the "503(b)(9) Claims") through individual motions to this Court. The 503(b)(9) Claimants, Debtors and other parties in interest will likely divert resources in these cases toward either negotiating for continued services from these 503(b)(9) Claimants or drafting, filing, prosecuting and defending individual motions and related responses regarding the payment of 503(b)(9) Claims.

78. In order to maintain their relationship with their vendors and to minimize any potential consequences of delaying payment of the 503(b)(9) Claims, the Debtors request an order authorizing, but not directing, them to pay the 503(b)(9) Claims immediately to the extent the Debtors determine that it is necessary to ensure the uninterrupted supply of materials to the Debtors to the extent set forth in the Administrative Expense Motion. The Debtors estimate that the amount owing to 503(b)(9) Claimants for goods delivered in the twenty days prior to the Petition Date is approximately $6,000,000.00.

79. Payment of Prepetition Purchase Orders. As of the Petition Date, the Debtors had outstanding prepetition purchase orders (collectively, the "Outstanding Orders") with a number of suppliers (collectively, the "Suppliers") for ordinary course goods that are in various stages of production and had not yet been delivered as of the Petition Date and which the Debtors believe are important to the Debtors' ongoing business operations. Accordingly, the Debtors seek entry of an order confirming administrative expense priority status and authorizing payment of the Debtors' undisputed obligations for the postpetition delivery of goods that were ordered prepetition and that the Debtors have not canceled, declined, returned, or contested, subject to the terms of (i) any agreement for such payment entered into by the Debtors and any Supplier and (ii) any postpetition financing approved by the Court. The Debtors further request entry of an order confirming that the Debtors shall have the right to (i) cancel a purchase order (including any Outstanding Order), (ii) decline the acceptance of goods, (iii) return any defective, nonconforming, or unacceptable good, or (iv) contest the amount of any invoice or claims, or liens related thereto, on any grounds.

80. The Debtors believe that the requested relief in the Administrative Expense Motion is necessary to permit the Debtors to obtain the timely delivery of goods and uninterrupted provision of goods from their Suppliers and vendors. Any disruption in the flow of the Debtors' inventory will materially harm the value of these estates.

H. Motion of Debtors for Interim and Final Orders (A) Approving the Debtors' Proposed Adequate Assurance of Payment for Future Utility Services, (B) Prohibiting Utility Companies from Altering, Refusing, or Discontinuing Services, (C) Approving the Debtors' Proposed Procedures for Resolving Adequate Assurance Requests, and (D) Granting Related Relief ("Utilities Motion")

81. The Debtors utilize various utility services provided by numerous utility companies (collectively, the "Utility Companies"). Because the Utility Companies provide essential services to the Debtors and their retail operations, any significant interruption in utility

services would be highly problematic. In fact, the temporary or permanent discontinuation of utilities services at any of the Debtors' locations could irreparably disrupt business operations, and, as a result, fundamentally undermine the Debtors' restructuring efforts. On average, the Debtors pay approximately $232,000.00 each month for third party Utility Services and approximately $2,275 per month for a third-party processor of utility bills, RadiusPoint. The Debtors believe that, as of the Petition Date, they owe RadiusPoint approximately $5,000.00 for administrative fees.

82. The Debtors will propose procedures to protect the rights of Utility Companies by providing such Utility Companies with a deposit in an amount equal to approximately two weeks of the Debtors' aggregate utility expenses. The Debtors submit that the deposit (which will be in the amount of $116,000), in conjunction with the Debtors' ability to pay for future utility services in the ordinary course of business and their existing security deposits constitutes sufficient adequate assurance of future payment to the Utility Companies.

I. Motion of Debtors for Order Pursuant to 11 U.S.C. §§ 105(A) and 363 Authorizing Debtors to Pay Prepetition Claims of Shippers and Customs Representatives and Granting Related Relief ("Shippers Motion")

83. The Debtors' business depends on the daily process of importing and shipping their merchandise to stock their retail stores, fulfill wholesale customer orders and to make direct sales to E-commerce consumers via their on-line website. The merchandise is received into the Debtors' Fontana, California distribution center (the "Distribution Center") and then shipped to various locations. The smooth and efficient flow of the Debtors' merchandise to and from the Debtors is highly dependent on the services provided by custom brokers, freight forwarders, and common carriers.

84. The Debtors engage the services of freight forwarders (the "Freight Forwarders") that contract for, coordinate, and ensure the transportation of the merchandise to and from the

Distribution Center. Merchandise shipped internationally is subject to custom import duties upon arrival in the United States. The Debtors rely on customs brokers (the "Customs Representatives") to obtain possession of this merchandise as it arrives in the United States from abroad and to expeditiously process the release of the merchandise so it can be delivered to the Distribution Center.

85. After the merchandise is brought to the Distribution Center by the Freight Forwarders, the Debtors then engage the services of certain common carriers (the "Common Carriers"), to expedite shipment of merchandise from the Distribution Center to their ultimate destination.

86. The estimated retail value of the merchandise being transported and/or processed as of the Petition Date by the Shippers and Customs Representatives substantially outweighs the outstanding shipping and customs charges. The Debtors' ability to pay the Shippers and Customs Representatives that are involved in the daily transportation of the merchandise is critically important to the Debtors' business operations.

87. The Debtors owe the Shippers and Customs Representatives approximately $845,000.00 for prepetition shipping, custom duties, and similar charges. In the event that such charges remain unpaid, I am informed that the Shippers and Customs Representatives may argue that they have possessory liens for transportation or storage costs, and may refuse to deliver or release goods in their possession until their claims are paid and their liens satisfied.

88. Even absent a valid lien, the Shippers and Customs Representatives' mere possession (and retention) of the Debtors' merchandise could severely disrupt the Debtors' operations and restructuring efforts.

89. If the Debtors' business operations are to continue, and the Debtors are to efficiently administer their estates, the Debtors must be able to maintain their distribution network in which the payment as requested under the Shippers Motion comprises a vital link.

J. Motion of Debtors for Order under Sections 105, 345, 363, 1107 and 1108 of the Bankruptcy Code Authorizing (I) Maintenance of Existing Bank Accounts; (II) Continuance of Existing Cash Management System, Bank Accounts, Checks and Related Forms; (III) Continued Performance of Intercompany Transactions; (IV) Limited Waiver of Section 345(B) Deposit and Investment Requirements and (V) Granting Related Relief ("Cash Management Motion")

90. In the ordinary course of business, the Debtors operate a cash management system (the "Cash Management System") involving seven bank accounts, including approximately 122 subaccounts for the Debtors' domestic stores (collectively, the "Bank Accounts"). The Cash Management System provides a well-established mechanism for the collection, management, and disbursement of funds used in the Debtors' business.

91. The Debtors' ability to continue their Cash Management System and to continue to engage in the Foreign Subsidiary Intercompany Transactions (as defined in the Cash Management Motion) in the ordinary course of their business is essential to their operations. Absent the ability to maintain their Cash Management System, the Debtors would have to significantly alter their business operations to comply with United States Trustee established guidelines (the "UST Guidelines"). The Cash Management System provides benefits to the Debtors, such as enabling them to: (a) control and monitor corporate funds; (b) ensure cash availability; and (c) reduce costs and administrative expenses by facilitating the movement of funds.

92. In light of the substantial size and complexity of the Debtors' operations, any disruption in the Debtors' cash management procedures will hamper the Debtors' efforts to preserve and enhance the value of their estates. Altering the Cash Management System could

disrupt payments to employees and key vendors. Therefore, it is essential that the Debtors be permitted to continue to use their Cash Management System in accordance with their existing cash management procedures and in accordance with the DIP Motion (as defined below).

93. The Debtors will also seek authority to implement ordinary course changes to their Cash Management System that the Debtors determine are beneficial to their business, provided that such changes shall only be made to the extent permitted under the DIP Facility (as defined below) or as otherwise ordered by the Court. In addition, the Debtors will seek authority to make certain changes to their Cash Management System as required by any order approving the Debtors' entry into the DIP Facility.

94. In addition, in the ordinary course of their business, the Debtors engage in Intercompany Transactions as more fully set forth in the Cash Management Motion. The Cash Management System and other processes allow the Debtors to track all obligations owing between related entities. The Debtors seek the authority to continue their Intercompany Transactions in the ordinary course of business as further set forth in the Cash Management Motion.

K. Motion of Debtors for Order Pursuant to 11 U.S.C. §§ 105(A), 362 and 365 Enforcing and Restating Automatic Stay and Bankruptcy Termination Provisions of Bankruptcy Code ("Automatic Stay Motion")

95. Given the global reach of the Debtors' businesses, the Debtors transact with vendors and suppliers of goods and services located outside the United States. These foreign creditors and counterparties are not likely to be familiar with the Bankruptcy Code, particularly with respect to the various protections it affords to chapter 11 debtors, including the automatic stay. As such, the Debtors believe that there is risk that certain foreign creditors and counterparties will not adhere to, or respect, the automatic stay or the orders of a court in the

United States. Any such act by a foreign creditor or counterparty in contravention of the Bankruptcy Code could disrupt the Debtors' ability to operate their businesses.

96. Accordingly, to aid in the administration of the Debtors' bankruptcy cases and avoid disruptions to the Debtors' businesses, the Debtors will seek entry of an order confirming the application of the automatic stay provisions of section 362 of the Bankruptcy Code, the anti-termination and anti-modification provisions of section 365 of the Bankruptcy Code, and the anti-discrimination provisions of section 525 of the Bankruptcy Code.

97. The Debtors believe that, absent an order enforcing the automatic stay protections of Bankruptcy Code section 362 and the bankruptcy termination provisions of Bankruptcy Code section 365, parties may take precipitous action against the Debtors or the property of the estates. The Debtors believe that the existence of such an order, which the Debtors will be able to transmit to affected parties, will maximize the protections afforded by sections 362, 365 and 525 of the Bankruptcy Code.

L. Motion of Debtors for Entry of Interim and Final Orders Approving Notification and Hearing Procedures for Certain Transfers of Equity interests ("NOL Motion")

98. The Debtors estimate that through their 12-month fiscal year ended January 28, 2017, they have generated domestic NOLs totaling approximately $107.6 million ($26.7 million of federal NOLs prior to any carryback and $80.9 million of state NOLs). In addition, the Debtors may have net unrealized built-in losses ("NUBILs"), alternative minimum tax credit carryforwards (the "AMT Credits"), and foreign tax credits as well (the "Foreign Tax Credits", and together with NOLs, NUBILs, and AMT Credits, the "Tax Attributes"). To preserve these valuable Tax Attributes, the Debtors will seek to establish notice and objection procedures regarding certain transfers of beneficial interests in equity securities in the Debtors.

99. These Tax Attributes provide the potential for material future tax savings or other tax structuring possibilities in these chapter 11 cases. The Tax Attributes are of significant value to the Debtors and their estates because the Debtors can carry forward certain Tax Attributes to offset their future taxable income for up to 20 years (or approximately 10 years in the case of Foreign Tax Credits), thereby reducing the Debtors' future aggregate tax obligations. Importantly, such Tax Attributes may be utilized by the Debtors to offset any taxable income generated by transactions consummated during these chapter 11 cases. The value of the Tax Attributes will potentially inure to the benefit of all of the Debtors' stakeholders.

100. The relief sought will enable the Debtors to closely monitor certain transfers of equity securities and thereby preserve the Debtors' ability to seek the necessary relief at the appropriate time if it appears that such transfers may jeopardize the Debtors' use of their Tax Attributes.

M. Motion of Debtors Pursuant to Sections 105, 361, 362, 363, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6004, and 9014 and Local Rules 2002 1(B), 4001 2, 9013 1(M) for Entry of Interim and Final Orders (I) Authorizing Postpetition Financing, (II) Authorizing Use of Cash Collateral, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying Automatic Stay, (vi) Scheduling a Final Hearing, and (VII) Granting Related Relief (the "DIP Motion")

101. Pursuant to the DIP Motion, the Debtors seek entry of interim and final orders authorizing them to enter into a new $60 million senior, secured debtor-in-possession financing facility (the "DIP Facility") with Citizens Bank, N.A. (the "DIP Lender") on the terms set forth in the DIP Agreement (as defined in the DIP Motion). Approximately $12 million of the proceeds of the DIP Facility would be used to pay-off the existing Prepetition ABL Obligations , plus another $5 million to back-up or replace existing letters of credit. The DIP Facility will consensually prime the obligations of each of the Debtors' existing term loan lenders as to the ABL Priority Collateral, and will provide needed financing during the Debtors' cases pending

consummation of the Debtors' chapter 11 plan and the exit financing contemplated thereby, which Citizens also has committed to provide pursuant to that certain Exit Facility Commitment Letter Agreement dated July 4, 2017 (the "Exit Facility Commitment Letter"), agreed upon by Citizens and TRI.

102. Prior to the Petition Date, the Debtors were informed that their existing Prepetition ABL Lenders would not extend credit to the Debtors on a postpetition basis beyond the existing maximum borrowing availability. The Debtors therefore conducted a thorough marketing process in order to identify alternative sources of capital, as detailed in the Declaration of Harry Wilson of MAEVA Group, LLC in Support of the DIP Motion, I believe that the marketing process that was conducted included a number of potential lenders and was appropriate in light of the Debtors' capital structure, financing needs, and timing concerns.

103. Ultimately, the DIP Lender presented the Debtors with the most economically advantageous alternative for a new debtor-in-possession asset-based lending arrangement. The proceeds of the DIP Facility will allow the Debtors to repay the existing Prepetition ABL Obligations and to have access to additional liquidity that is necessary for the Debtors to maintain going concern value.

104. Immediate access to incremental liquidity through the DIP Facility is critical to preserving the value of the Debtors' estates. The Debtors are an operating retail business with hundreds of employees, vendors, and customers that depend on the Debtors' continuing performance of their ongoing business obligations. The Debtors have an urgent and immediate need to obtain financing and for authority to use Cash Collateral subject to the terms of the DIP Motion in order to, among other things: (a) continue to operate their business in an orderly manner; (b) maintain their valuable relationships with employees, vendors, and customers; (c)

pay various administrative professionals' fees to be incurred in the Chapter 11 Cases; and (d) support the Debtors' working capital, general corporate and overall operational needs. The foregoing expenditures are critically necessary to preserve and maintain the going concern value of the Debtors' business and, ultimately, help ensure a successful reorganization under the Debtors' proposed pre-negotiated plan. Without access to funding under the DIP Facility and use of Cash Collateral, the Debtors would be forced to cease operations and liquidate their assets and would be unable to restructure their business as a going concern

105. The terms of the DIP Agreement were negotiated at arms' length and in good faith between the Debtors and the DIP Agent over several weeks. The outcome of such negotiations is the DIP Agreement and the Exit Facility Commitment Letter with Citizens, resulting in an agreement that is designed to permit the Debtors to maximize the value of their assets through the pre-negotiated plan confirmation process.

106. I further believe that, subject to the approval of this Court, each of the Debtors is qualified and authorized to enter into the DIP Agreement. Specifically, each Loan Party (as defined in the DIP Agreement) is a corporation or limited liability company validly existing and in good standing under the laws of the State of Delaware, California or Virginia, as applicable. Each Loan Party has the corporate (or limited liability company) power and authority to enter into and perform the DIP Documents to which it is a party, has taken all necessary corporate (or limited liability company) action to authorize the execution, delivery and performance of such DIP Documents and has duly executed and delivered such DIP Documents. Further, the execution and delivery by each Loan Party of the DIP Documents to which they are parties do not, and the performance by the Loan Parties of their respective obligations thereunder will not, (i) result in a violation of the Certificate of Incorporation or Bylaws or other organizational

document of such Loan Party (as such terms are defined in the DIP Agreement) or (ii) result in a violation of any order of the Court.

107. The DIP Facility presents these estates with the best economic terms available that will allow the Debtors to repay the existing Prepetition ABL Obligations, while providing adequate liquidity to maintain operations in the ordinary course and satisfy ongoing administrative expenses associated with these cases. Additionally, the DIP Facility will position the Debtors to maximize value by not only providing the Debtors with the liquidity that they need to implement the Restructuring Support Agreement through the Plan, but also to emerge from chapter 11 as a going concern with committed exit financing in place. The stability provided by the DIP Facility will help to minimize disruption to the Debtors' business during their restructuring process and provide confidence to the Debtors' vendors and employees that the Debtors will be able to operate successfully post-emergence.

108. For these reasons, I believe that the Debtors' sound business judgment clearly supports approval of the DIP Facility in order to allow the Debtors to gain access to needed financing and thereby maximize value for all constituents. Accordingly, on behalf of the Debtors, I respectfully submit that the Court should approve the DIP Motion.

N. Motion of Debtors for Entry of an Order Authorizing the Debtors to (I) Assume Exit Facility Commitment Letter, (II) Pay and Reimburse Related Fees and Expenses, and (III) Indemnify The Parties Thereto (the "Exit Facility Commitment Motion")

109. The Debtors believe that the Plan provides the best restructuring alternative available to these estates. The Plan contemplates implementing a new senior secured exit financing facility in order to repay the proposed DIP Facility, also to be provided by Citizens Bank, N.A., and to provide additional working capital liquidity to the reorganized Debtors on a post-emergence basis. The proposed exit facility with Citizens satisfies this requirement.

110. Consistent with the Plan and following an extensive marketing effort, the Debtors and Citizens negotiated the terms of the Exit Facility Commitment Letter and agreed upon such commitment prior to the commencement of these bankruptcy cases. The Debtors believe that the financing contemplated under the Exit Facility Commitment Letter is advantageous to the Debtors given the low interest rate that will be charged and the amount of liquidity (up to $60 million) that will be made available to the reorganized Debtors, subject to the borrowing base and other conditions set forth in the Exit Facility Commitment Letter. By entering into the Exit Facility Commitment Letter, the Debtors are providing all stakeholders, customers, vendors, contract counterparties, and other interested parties with evidence that the Plan is not only feasible, but also will be consummated within the milestones set forth in the DIP Facility.

111. The Debtors now seek to assume the Exit Facility Commitment Letter in order to ensure that the funding contemplated thereunder will be available to the Debtors following confirmation of the Plan, and to allow the Debtors to proceed promptly to consummate the Plan in accordance with the milestones in the DIP Facility. By assuming the Exit Facility Commitment Letter, the Debtors will be agreeing to three basic obligations: (a) to reimburse Citizens for its reasonable fees and expenses in connection with its due diligence and preparation of definitive documents with respect to the contemplated exit facility, (b) to indemnify Citizens as to any damages or losses that Citizens or its affiliated persons may incur as a result of, or in connection with, the exit facility, and (c) to negotiate exclusively with Citizens as to the exit facility, but subject to a "fiduciary out" on the basis of reasonable advice of legal counsel for the Debtors.

112. The terms of the Exit Facility Commitment Letter are the product of extensive arm's length negotiations among the Debtors and Citizens, as well as their respective counsel and financial advisors.

113. The Debtors believe that the terms and conditions set forth in the Exit Facility Commitment Letter are well within the range of "market" fees, protections and other terms typically received by parties entering into similar agreements and reflect an exercise of their sound business judgment. I therefore urge the Court to approve the Exit Facility Commitment Motion.

CONCLUSION

For all of the reasons set forth herein and in the First Day Pleadings, I respectfully request that the Court grant the relief requested in each of the First Day Pleadings.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated: July 5, 2017
At: Los Angeles, California

Dalibor Snyder
Chief Financial Officer

EXHIBIT A

EXECUTION VERSION

RESTRUCTURING SUPPORT AGREEMENT

This restructuring support agreement (together with all exhibits, annexes, and schedules hereto, in each case as may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, this "***Agreement***"), dated as of July 4, 2017 (the "***Execution Date***"), is by and among: (i) TRLG Intermediate Holdings, LLC, a Delaware limited liability company ("***Holdings***"), (ii) True Religion Apparel, Inc., a Delaware corporation, on behalf of itself and each of its direct and indirect subsidiaries listed on **Exhibit A** hereto (collectively with Holdings, the "***Company***"), (iii) TRLG Holdings, LLC (the "***Sponsor***"), (iv) the undersigned holders of First Lien Claims (as defined below) and/or Second Lien Claims (as defined below) (each, in such capacity, the "***Initial Holders***"), and (v) each Joining Party (as defined below) (such Joining Parties, together with the Initial Holders, and in such capacity, the "***Holder Parties***"), in connection with (a) that certain First Lien Credit Agreement, dated as of July 30, 2013 (as amended, restated, supplemented or otherwise modified heretofore, and together with its related agreements, the "***First Lien Credit Agreement***"), among Holdings, True Religion Apparel, Inc., the lenders party thereto from time to time (such lenders, the "***First Lien Lenders***"), and Deutsche Bank AG New York Branch, as administrative agent (it or its successors, in such capacity, the "***First Lien Agent***") and (b) that certain Second Lien Credit Agreement, dated as of July 30, 2013 (as amended, restated, supplemented or otherwise modified heretofore, and together with its related agreements, the "***Second Lien Credit Agreement***"), among Holdings, True Religion Apparel, Inc., the lenders party thereto from time to time (such lenders, in their capacity as such, the "***Second Lien Lenders***"), and Deutsche Bank AG New York Branch, as administrative agent (it or its successors, in such capacity, the "***Second Lien Agent***"). Claims of the First Lien Lenders under the First Lien Credit Agreement are referred to herein collectively as the "***First Lien Claims***", and claims of the Second Lien Lenders under the Second Lien Credit Agreement are referred to herein collectively as the "***Second Lien Claims***." The Company, the Sponsor and each Holder Party are collectively referred to herein as the "***Parties***" and each individually as a "***Party***."

The Parties hereby agree as follows:

1. Proposed Restructuring.

(a) The Parties have agreed to implement a restructuring transaction for the Company, in accordance with and subject to the terms and conditions set forth in this Agreement (the "***Restructuring***"), which Restructuring requires pursuing consummation of a "pre-negotiated" chapter 11 plan of reorganization in the form attached as **Exhibit B** hereto (together with any exhibits, schedules, attachments or appendices thereto, in each case as may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof, the "***Plan***")[1]. In order to effectuate the Restructuring, the Company shall commence, in accordance with the terms of this Agreement, voluntary "pre-negotiated" cases (the "***Chapter 11 Cases***" and the date on which such Chapter 11 Cases are commenced, the "***Petition Date***") under chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***") in the United States Bankruptcy Court for the District of Delaware (the "***Bankruptcy Court***"). The documents related to or otherwise utilized to implement or effectuate the Restructuring (collectively, the "***Restructuring Documents***") shall include, among others:

(i) the Plan, a customary plan supplement (including any schedules of assumed and rejected leases and executory contracts), the related disclosure statement (such disclosure statement, together with any exhibits, schedules, attachments or appendices thereto, in each case as may be amended, supplemented or otherwise

[1] In the event of any inconsistency between the Plan and the remainder of this Agreement, the Plan shall control.

modified from time to time in accordance with the terms herein and therein, the "***Disclosure Statement***"), and any other documents and/or agreements relating to the Plan and/or the Disclosure Statement, including (A) a motion seeking approval of the Disclosure Statement, the procedures for the solicitation of votes in connection with the Plan pursuant to sections 1125 and 1126 of the Bankruptcy Code, the forms of ballots and notices and related relief (such motion, together with all exhibits, appendices, supplements, and related documents, the "***Disclosure Statement Motion***"), (B) an order of the Bankruptcy Court approving the Disclosure Statement Motion (together with all exhibits, appendices, supplements and related documents, the "***Disclosure Statement Order***"), (C) the motion seeking confirmation of the Plan, and (D) a proposed order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code (together with all exhibits, appendices, supplements and related documents, the "***Confirmation Order***");

(ii) any organizational and governance documents for the reorganized Company, including without limitation, certificates of incorporation, certificates of formation or certificates of limited partnership (or equivalent organizational documents), bylaws, limited liability company agreements, identity of proposed members of the reorganized Company's board of directors, shareholders agreements and registration rights agreements, which documents shall in any event include the terms set forth in the corporate governance term sheet attached as **Exhibit C** hereto (collectively, the "***Governance Documents***");

(iii) the agreements governing the newly issued warrants of the reorganized Company on the terms set forth in the term sheets attached as **Exhibit D** hereto;

(iv) a 3-year business plan for the Company (the "***Business Plan***");

(v) all such other definitive documentation relating to a recapitalization or restructuring of the Company as is necessary or desirable to consummate the Restructuring (including, without limitation, all documentation related to the Reorganized First Lien Term Loan Facility (as defined in the Plan), any exit financing or new credit facility);

(vi) any documentation relating to a debtor-in-possession financing facility (the "***DIP Financing***"), including a motion seeking approval of a debtor-in-possession financing facility and consensual use of cash collateral and providing adequate protection to the First Lien Lenders consisting of, among other things, (A) adequate protection liens, superpriority administrative claims and payment of reasonable and documented fees and expenses of the First Lien Lenders and the First Lien Agent (and its counsel) and (B) payment of reasonable and documented fees and expenses of the Second Lien Agent (and its counsel) under the Second Lien Credit Agreement, and the interim order (the "***Interim DIP Order***") and the final order (the "***Final DIP Order***" and together with the Interim DIP Order, the "***DIP Orders***") approving such motion; and

(vii) any other agreements, instruments, pleadings, orders and/or documents that are filed by debtors and debtors in possession in the Chapter 11 Cases (including any exhibits, amendments, modifications or supplements made from time to time thereto).

(b) Each of the Restructuring Documents shall be consistent in all respects with, and shall contain, to the extent applicable, the terms and conditions set forth in this Agreement

(including the standards for acceptability to specified parties of the final form of certain Restructuring Documents). In addition:

(i) the Plan, the Confirmation Order, the documentation concerning the DIP Financing, including the DIP Orders and the documentation related to the Reorganized First Lien Term Loan Facility, in each case shall be in form and substance acceptable to the Company and Holder Parties holding at least 50.1% of the aggregate First Lien Claims held by the Holder Parties as of a relevant date (the "***Majority Holders***");

(ii) the Governance Documents shall be acceptable to, and need be acceptable only to, the Majority Holders;

(iii) the definitive documentation concerning a $60 million senior secured asset-based revolving credit facility (the "***Exit Facility***") shall be on the terms set forth in the commitment letter, and related term sheet, attached as **Exhibit E** hereto, and shall otherwise be in form and substance reasonably acceptable to the Majority Holders and the Company;

(iv) the definitive documentation concerning the Class B Warrants and Class C Warrants, including the applicable warrant agreement, shall otherwise be in form and substance reasonably acceptable to the Majority Holders and the Sponsor; and

(v) the other Restructuring Documents shall otherwise be in form and substance reasonably acceptable to the Company and the Majority Holders.

2. Representations of the Parties. Each of the Holder Parties, severally and not jointly, the Sponsor, and each of the entities comprising the Company, jointly and severally, hereby represents and warrants that, as of the Execution Date, the following statements are true, correct and complete:

(a) It has all requisite corporate, partnership, limited liability company or similar authority to execute this Agreement and carry out the transactions contemplated hereby and perform its obligations contemplated hereunder; and the execution and delivery of this Agreement and the performance of such Party's obligations hereunder have been duly authorized by all necessary corporate, partnership, limited liability company or other similar action on its part.

(b) The execution, delivery and performance by such Party of this Agreement does not and shall not (i) violate (A) any provision of law, rule or regulation applicable to it or (B) its charter or bylaws (or other similar governing documents) or (ii) except, with respect to the Company, for customary bankruptcy, insolvency and reorganization type default and notice provisions, to the knowledge of such Party, conflict with, result in a breach of or constitute a default under (with or without notice or lapse of time or both) any contractual obligation to which it is a party or it or its assets are bound, in each case, other than any such violation, conflict, breach or default with respect to which a waiver has been obtained prior to the Execution Date and which waiver has not been subsequently revoked.

(c) Subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(d) The execution, delivery and performance by such Party of this Agreement does not, and shall not, require any authorization of, filing with, registration of or before, consent from, approval of or other action by or notice to any federal, state or other governmental authority or regulatory body, in each case, other than any such authorization, filing, registration, consent, approval, action or notice which has been obtained, provided, or otherwise satisfied prior to the Execution Date and which authorization, filing, registration, consent, approval, action, or notice has not been subsequently revoked (excluding, as to performance, applicable approvals of the Bankruptcy Court following the Petition Date).

(e) If such Party is a Holder Party, such Holder Party (i) either (A) is the sole legal and beneficial owner of (1) the First Lien Claims, (2) the Second Lien Claims and/or (3) the claims (the "***ABL Claims***") under that certain ABL Credit Agreement, dated as of July 30, 2013, (as amended, restated, supplemented or otherwise modified heretofore, and together with its related agreements, the "***ABL Credit Agreement***"), among Holdings, Borrower, the lenders party thereto from time to time (the "***ABL Lenders***"), and Deutsche Bank AG New York Branch (the "***ABL Administrative Agent***"), set forth below its name on the signature page hereof (or the Joinder (as defined below)), in each case, free and clear of any and all claims, liens and encumbrances (other than those imposed by securities laws applicable to unregistered securities), or (B) has sole investment and voting discretion with respect to such First Lien Claims, Second Lien Claims and/or ABL Claims in respect to matters relating to the Restructuring contemplated by this Agreement and has the power and authority to bind the beneficial owner(s) of such First Lien Claims, Second Lien Claims and/or ABL Claims to the terms of this Agreement and (ii) has full power and authority to act on behalf of, vote and consent to matters concerning such First Lien Claims, Second Lien Claims and/or ABL Claims in respect to matters relating to the Restructuring contemplated by this Agreement and dispose of, convert, assign and transfer such First Lien Claims, Second Lien Claims and/or ABL Claims (with respect to each Holder Party, all of such First Lien Claims, Second Lien Claims and/or ABL Claims under clauses (A) and (B) and any additional First Lien Claims, Second Lien Claims and/or ABL Claims it owns, has such control over from time to time, or acquires after the Execution Date, collectively, its "***Participating Claims***"). Further, such Holder Party has made no prior written assignment, sale, participation, grant, conveyance, or other transfer of, and has not entered into any other written agreement to assign, sell, participate, grant, convey or otherwise transfer, in whole or in part, any portion of its right, title, or interests in such Participating Claims that are subject to this Agreement, the terms of which written agreement are, as of the date hereof, inconsistent with the representations and warranties of such Holder Party herein or would render such Holder Party otherwise unable to comply with this Agreement and perform its obligations hereunder.

(f) If such Party is a Holder Party or the Sponsor, such Party (i) is a sophisticated party with respect to the subject matter of this Agreement, (ii) has been represented and advised by legal counsel in connection with this Agreement, (iii) has adequate information concerning the matters that are the subject of this Agreement, and (iv) has independently and without reliance upon the Company, any other Party or any officer, employee, agent, or representative thereof, and based on such information as such Party has deemed appropriate, made their own analysis and decision to enter into this Agreement, except that such Party has relied upon the Company's express representations, warranties, and covenants in this Agreement, and such Party acknowledges that it has entered into this Agreement voluntarily and of its own choice and not under coercion or duress.

(g) If such Party is a Holder Party or the Sponsor, such Party is either (i) a "qualified institutional buyer" as defined in Rule 144A of the Securities Act of 1933, as amended (the "***Securities Act***"), (ii) an "accredited investor" as defined by Rule 501 of the Securities Act, (iii) a

non-U.S. person under Regulation S under the Securities Act, or (iv) the foreign equivalent of the foregoing subparts (i) or (ii).

3. Agreements of the Holder Parties

(a) From the Execution Date until the date that is the earlier of (i) the effective date of the Plan, and (ii) the termination of this Agreement pursuant to Section 6 (such date, the "***End Date***") and subject to the terms and conditions hereof and except as the Company and the Majority Holders may expressly release a Holder Party in writing from any of the following obligations, each Holder Party:

(i) hereby agrees to timely vote (when solicited to do so after receipt of a Disclosure Statement approved by the Bankruptcy Court and by the applicable deadline for doing so) its Participating Claims, and any other claims against or interests in the Company such Holder Party holds or acquires in favor of the Plan;

(ii) shall not (A) object to, or vote any of such Participating Claims (or any other claims or interests held by it) to reject or impede the Disclosure Statement or the Plan, support directly or indirectly any such objection or impediment or otherwise take any action or commence any proceeding to oppose, impede or to seek any modification of the Plan or any Restructuring Documents, or (B) support or prosecute, directly or indirectly, any alternative to the Restructuring and the Plan; and

(iii) hereby agrees (A) to use commercially reasonable efforts to (1) support and complete the Restructuring and all other actions contemplated in connection therewith and under the Restructuring Documents and (2) take any and all necessary and appropriate actions in furtherance of the Restructuring and the Restructuring Documents, and (B) not to take any actions inconsistent with this Agreement or the Restructuring Documents.

Notwithstanding the foregoing, nothing in this Section 3(a) shall require any Holder Party to incur any expenses or liabilities, or agree to any commitments, undertakings, concessions, indemnities or other arrangements that could result in expenses or liabilities to any Holder Party; provided, however, that nothing herein shall serve to limit, alter or modify any Holder Party's express obligations under the terms of this Agreement.

(b) The Parties agree that this Agreement does not constitute a commitment to, nor shall it obligate any of the Parties to, provide any new financing for, or credit support to, the Company, including as reorganized as contemplated herein.

(c) Subject to Section 3(f), each Holder Party agrees that, from the Execution Date until the End Date, it shall not sell, assign, grant, transfer, convey, hypothecate or otherwise dispose of any Participating Claims, or any option thereon or any right or interest (voting or otherwise) in any or all of its Participating Claims, except to a person that (i) is a Holder Party; provided, however, that any such Participating Claims shall automatically be deemed to be subject to the terms of this Agreement, or (ii) executes and delivers a Joinder (as defined below and in the form attached hereto as **Exhibit F**) to Akin Gump Strauss Hauer & Feld LLP ("***Akin Gump***") and the Company prior to the relevant sale, assignment, grant, transfer, conveyance, hypothecation or other disposition. With respect to any transfers effectuated in accordance with clause (ii) above, (A) such transferee shall be deemed to be a Holder Party for purposes of this Agreement, subject to Section 3(e), and (B) the Company shall be deemed to have acknowledged

such transfer. For the avoidance of doubt, (x) each transferee pursuant to clauses (i) or (ii) above, shall be deemed to have accepted the treatment accorded such acquired Participating Claim under the Plan and (y) each transferee that acquires an interest in a Participating Claim from a Holder Party that has agreed to elect to receive specified consideration under the Plan, by accepting such transfer, will be deemed to have made the same election as such transferring Holder Party, regardless of any other claims held by such transferee.

(d) This Agreement shall in no way be construed to preclude any Holder Party from acquiring additional Participating Claims; provided, however, that any such additional Participating Claims shall automatically be deemed to be subject to all of the terms of this Agreement and each such Holder Party agrees that such additional Participating Claims shall be subject to this Agreement. Each Holder Party agrees to provide to Akin Gump and the Company notice of the acquisition of any additional Participating Claims within three (3) business days of the consummation of the transaction acquiring such additional Participating Claims.

(e) Any person that receives or acquires a portion of the Participating Claims pursuant to a sale, assignment, grant, transfer, conveyance, hypothecation or other disposition of such Participating Claims by a Holder Party hereby agrees to be bound by all of the terms of this Agreement (as such terms may be amended from time to time in accordance with the terms hereof) (any such person, together with each holder of Participating Claims that becomes a Holder Party pursuant to Section 19, each a "***Joining Party***") by executing and delivering to Akin Gump a joinder in the form attached hereto as **Exhibit F** (the "***Joinder***"). The Joining Party shall thereafter be deemed to be a "Holder Party" and a Party for all purposes under this Agreement, and such Joining Party shall have the consent or approval rights of, and be deemed to be, a Holder Party for all purposes under this Agreement. Each Joining Party shall indicate, on the appropriate schedule annexed to its Joinder, the number and amount of First Lien Claims, Second Lien Claims and/or ABL Claims held by such Joining Party. With respect to the Participating Claims held by the Joining Party upon consummation of the sale, assignment, grant, transfer, conveyance, hypothecation or other disposition of such Participating Claims, the Joining Party hereby makes the representations and warranties of the Holder Parties set forth in Section 2 to the other Parties.

(f) Notwithstanding anything herein to the contrary, (i) any Holder Party may transfer any of its Participating Claims to an entity that is acting in its capacity as a Qualified Marketmaker (as defined below) without the requirement that the Qualified Marketmaker be or become a Holder Party; provided, however, that the Qualified Marketmaker subsequently transfers all right, title and interest in such Participating Claims to a transferee that is or becomes a Holder Party as provided above, and the transfer documentation between the transferring Holder Party and such Qualified Marketmaker shall contain a requirement that provides as such; and (ii) to the extent any Holder Party is acting in its capacity as a Qualified Marketmaker, it may transfer any Participating Claims that it acquires from a holder of such Participating Claims that is not a Holder Party without the requirement that the transferee be or become a Holder Party. Notwithstanding the foregoing, if, at the time of the proposed transfer of such Participating Claims to the Qualified Marketmaker, such Participating Claims (x) may be voted on (1) the Plan or (2) any dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets, financing (debt or equity), recapitalization, restructuring or similar transaction involving the Company, other than the Plan (an "***Alternative Transaction***"), the proposed transferor Holder Party must first vote such Participating Claims in accordance with the requirements of Section 3(a)(i), or (y) have not yet been and may not yet be voted on the Plan or any Alternative Transaction and such Qualified Marketmaker does not transfer such Participating

Claims to a subsequent transferee prior to the third (3rd) business day prior to the expiration of the voting deadline (such date, the "***Qualified Marketmaker Joinder Date***"), such Qualified Marketmaker shall be required to (and the transfer documentation to the Qualified Marketmaker shall have provided that it shall), on the first business day immediately following the Qualified Marketmaker Joinder Date, become a Holder Party with respect to such Participating Claims in accordance with the terms hereof (provided that the Qualified Marketmaker shall automatically, and without further notice or action, no longer be a Holder Party with respect to such Participating Claims at such time that the transferee of such Participating Claims becomes a Holder Party with respect to such Participating Claims). For these purposes, "***Qualified Marketmaker***" means an entity that (X) holds itself out to the market as standing ready in the ordinary course of business to purchase from and sell to customers Participating Claims, or enter with customers into long and/or short positions in Participating Claims, in its capacity as a dealer or market maker in such Participating Claims, and (Y) is in fact regularly in the business of making a market in claims, interests and/or securities of issuers or borrowers.

4. Agreements, Representations and Warranties of the Company

(a) Subject to the terms and conditions hereof and except as the Majority Holders may expressly release the Company in writing from any of the following obligations (which release may be withheld, conditioned or delayed by the Majority Holders):

(i) From the Execution Date until the End Date, the Company agrees (A) to prepare or cause to be prepared the Restructuring Documents (including, without limitation, all relevant motions, applications, orders, agreements and other documents), each of which, for the avoidance of doubt, shall contain terms and conditions consistent with this Agreement, including Section 1(b) above, (B) to provide draft copies of (i) all Restructuring Documents, pleadings and other documents the Company intends to file with the Bankruptcy Court, in each case, to Akin Gump as soon as reasonably practicable, but in no event less than two (2) days before such documents are to be filed with the Bankruptcy Court; provided that any such documents prepared following commencement of the Chapter 11 Cases may be provided less than two (2) days prior to filing if the provision of two (2) days prior notice is impractical under the circumstances (without waiver of any provision of this Agreement with respect to the required consent of the Majority Holders of any such Restructuring Document or other document); and (C) without limiting any approval rights set forth herein, consult in good faith with Akin Gump regarding the form and substance of any of the foregoing documents in advance of the filing, execution, distribution or use (as applicable) thereof.

(ii) The Company agrees to (A) (1) support and complete the Restructuring and all other actions contemplated in connection therewith and under the Restructuring Documents, (2) take any and all necessary and appropriate actions in furtherance of the Restructuring and the Restructuring Documents and (3) use commercially reasonable efforts to obtain any and all required governmental, regulatory, and/or third-party approvals (including, as applicable, Bankruptcy Court approvals) for the Restructuring, (B) use reasonable efforts to cause the milestones set forth in Section 6(g) to be satisfied so as to not allow a Support Termination Event to occur, and (C) not take any actions inconsistent with this Agreement or the Restructuring Documents or that are otherwise inconsistent with, or that would reasonably be expected to prevent, interfere with, delay or impede the implementation or consummation of the Restructuring.

(iii) Subject to Section 24, the Company shall (A) cease and cause to be terminated any ongoing solicitation, discussions and negotiations with respect to any Alternative Transaction, (B) not, directly or indirectly, seek, solicit, negotiate, support, engage, initiate or participate in discussions relating to, or enter into any agreements relating to, any Alternative Transaction, and (C) not solicit or direct any person or entity, including any of their representatives or members of the Company's board of directors (or equivalent) or any direct or indirect holders of existing equity securities of the Company, to undertake any of the foregoing.

(iv) The Company agrees to timely file a formal objection to any motion filed with the Bankruptcy Court by any Person seeking the entry of an order (A) directing the appointment of an examiner with expanded powers or a trustee, (B) converting any Chapter 11 Case to a case under chapter 7 of the Bankruptcy Code, or (C) dismissing any of the Chapter 11 Cases. For purposes of this Section 4(a), "***Person***" shall mean an individual, a partnership, a joint venture, a limited liability company, a corporation, a trust, an unincorporated organization, a group, a governmental or regulatory authority, or any legal entity or association.

(v) The Company agrees to timely file a formal written response in opposition to any objection filed with the Bankruptcy Court by any Person with respect to the entry of the Interim DIP Order and/or the Final DIP Order.

(vi) The Company agrees not to enter into any settlement, compromise or agreement with any authorized representative of retirees or employees or a retiree committee, unless such settlement, compromise or agreement is in form and substance acceptable to the Company and the Majority Holders.

(b) Regardless of whether the Restructuring is consummated, the Company shall promptly pay in cash upon demand (i) all reasonable and documented out-of-pocket fees and expenses incurred by the Holder Parties in connection with this Agreement, the Restructuring and the Restructuring Documents, and the consummation of the transactions contemplated hereby and thereby, and (ii) all reasonable and documented fees and expenses of Akin Gump, as lead counsel, Ashby & Geddes ("***Ashby***"), as Delaware counsel, and Moelis & Company LLC, as financial advisor, to the Holder Parties ("***Moelis***" and together with Akin Gump and Ashby, the "***Holder Parties' Advisors***"). Simultaneously with the execution of this Agreement, the Company shall pay all such unpaid fees and expenses incurred at any time prior to the Execution Date, to the extent invoiced prior to the date hereof, and, prior to commencing the Chapter 11 Cases, the Company shall pay all such unpaid fees and expenses incurred prior to the Petition Date, to the extent invoiced prior to such date. In addition, the Company shall use commercially reasonable efforts to promptly assume all engagement letters for the Holder Parties' Advisors following the commencement of the Chapter 11 Cases in a manner acceptable to the Majority Holders.

(c) From the Execution Date until the End Date, the Company shall (i) taking into account the effect of the Restructuring, operate the business of the Company and its direct and indirect subsidiaries in the ordinary course in a manner that is consistent in all material respects with this Agreement, the Business Plan, past practices, and use commercially reasonable efforts to preserve intact the Company's business organization and relationships with third parties (including lessors, licensors, suppliers, distributors and customers) and employees (in each case subject to changes (A) resulting from or relating to the filing of the Chapter 11 Cases or (B) imposed by the Bankruptcy Court), (ii) keep the Holder Parties reasonably informed about the operations of the Company and its direct and indirect subsidiaries to the extent a Holder Party so

requests to be kept informed, (iii) provide the Holder Parties any information reasonably requested regarding the Company or any of its direct and indirect subsidiaries and provide, and direct the Company's employees, officers, advisors and other representatives to provide, to Akin Gump and Moelis, (x) reasonable access during normal business hours to the Company's books, records and facilities and (y) reasonable access to the management and advisors of the Company for the purposes of evaluating the Company's assets, liabilities, operations, businesses, finances, strategies, prospects and affairs, (iv) promptly notify the Holder Parties of any material governmental or third party complaints, litigations, investigations or hearings (or communications indicating that the same may be contemplated or threatened) and (v) use commercially reasonable efforts to obtain any and all required governmental, regulatory and/or third party approvals necessary or required for the implementation or consummation of the Restructuring (including the Bankruptcy Court's approval of the relevant Restructuring Documents).

5. Agreements of the Sponsor

(a) From the Execution Date until the date that is the earlier of the effective date of the Plan, and the End Date and subject to the terms and conditions hereof and except as the Company and the Majority Holders may expressly release the Sponsor in writing from any of the following obligations, the Sponsor:

(i) hereby agrees to timely vote or cause its applicable controlled affiliates to timely vote (if solicited to do so after receipt of a Disclosure Statement approved by the Bankruptcy Court and by the applicable deadline for doing so) its debt or equity interests in Holdings, including any First Lien Claims, Second Lien Claims and/or ABL Claims, if any (collectively, the "***Participating Claims/Interests***"), and any other claims against or interests in the Company the Sponsor or such affiliate holds or acquires in favor of the Plan;

(ii) shall not (A) object to, or vote any of such Participating Claims/Interests (or any other claims or interests held by it) to reject or impede the Disclosure Statement or the Plan, support directly or indirectly any such objection or impediment or otherwise take any action or commence any proceeding to oppose, impede or to seek any modification of the Plan or any Restructuring Documents, or (B) support or prosecute, directly or indirectly, any alternative to the Restructuring and the Plan; and

(iii) hereby agrees (A) to use commercially reasonable efforts to (1) support and complete the Restructuring and all other actions contemplated in connection therewith and under the Restructuring Documents and (2) take any and all necessary and appropriate actions in furtherance of the Restructuring and the Restructuring Documents, and (B) to not take any actions inconsistent with this Agreement or the Restructuring Documents.

Notwithstanding the foregoing, nothing in this Section 5(a) shall require the Sponsor to incur any expenses or liabilities, or agree to any commitments, undertakings, concessions, indemnities or other arrangements that could result in expenses or liabilities to the Sponsor; provided, however, that nothing herein shall serve to limit, alter or modify the Sponsor's express obligations under the terms of this Agreement. For the avoidance of doubt, nothing in this Agreement or the Plan shall require the Company or any other Party (other than the Sponsor itself) to pay or be liable for any fees or expenses incurred by the Sponsor in connection with this Agreement or otherwise, except as may be explicitly set forth in the Plan.

(b) Sponsor agrees that, from the Execution Date until the End Date, it shall not (nor shall it permit any of its controlled affiliates to) sell, assign, grant, transfer, convey, hypothecate or otherwise dispose of any Participating Claims/Interests, or any option thereon or any right or interest (voting or otherwise) in any or all of its Participating Claims/Interests, except to a person that is a controlled affiliate, or member or parent, of Sponsor; provided, however, that any such Participating Claims/Interests shall automatically be deemed to be subject to the terms of this Agreement.

6. Termination of Rights or Obligations. This Agreement may be terminated as follows and, except as otherwise provided herein, all obligations of the Parties shall immediately terminate and be of no further force and effect upon such termination (each such termination event, a "***Support Termination Event***"):

(a) by the mutual written consent of the Company and the Majority Holders;

(b) by the Majority Holders upon (i) a breach (other than an immaterial breach) by either the Company or the Sponsor of any of the undertakings, representations, warranties or covenants of the Company or the Sponsor, as applicable, set forth in this Agreement, including the Company's obligations under Section 4 or the Sponsor's obligations under Section 5, or (ii) the failure by the Company or the Sponsor to act in a manner materially consistent with this Agreement, in each case which breach or failure remains uncured for a period of three (3) business days after the receipt of written notice of such breach from the Majority Holders;

(c) by the Sponsor, solely to itself, upon a breach (other than an immaterial breach) by the Company or the Holder Parties of any of the undertakings, representations, warranties or covenants of the Company or the Holder Parties set forth in this Agreement, as applicable, or any amendment to the Plan that adversely affects the amount of consideration to which Sponsor is entitled under the Plan or otherwise materially and adversely affect Sponsor's rights under this Agreement, which breach remains uncured for a period of three (3) business days after the receipt of written notice of such breach from the Sponsor; provided, however, that notwithstanding anything to the contrary herein, the right to terminate this Agreement as to Sponsor under this Section 6(a)(iii) shall not be available to the Sponsor if its failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the occurrence of a Support Termination Event;

(d) by the Company upon a breach (other than an immaterial breach) by the Holder Parties of any of the undertakings, representations, warranties or covenants of the Company set forth in this Agreement, which breach remains uncured for a period of three (3) business days after the receipt of written notice of such breach from the Company;

(e) by the Company if any court of competent jurisdiction or other competent governmental or regulatory authority shall have issued an order, which order is not subject to a stay of its effectiveness pending appeal, making illegal or otherwise restricting, preventing, or prohibiting the Restructuring in a manner that cannot be reasonably remedied by the Company;

(f) by the Company following the Company's determination that proceeding with the transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as described in Section 24;

(g) by the Majority Holders or the Sponsor, solely as to itself, in the event a Fiduciary Action occurs (whether or not notice of such is provided);

(h) by the Majority Holders upon the occurrence of any of the following events, unless such event is waived or the applicable deadline is extended by the Majority Holders in writing (which waiver or extension may be withheld, conditioned or delayed by the Majority Holders):

(i) at 5:00 p.m. prevailing Eastern Time on (A) the date that is five (5) Business Days following the Petition Date if the Company fails to obtain entry of the Interim DIP Order or (B) the date that is thirty-nine (39) days following the Petition Date if the Company fails to obtain entry of the Final DIP Order (in each case, which DIP Orders, for the avoidance of doubt, shall be consistent with this Agreement and otherwise in form and substance acceptable to the Company and the Majority Holders, but may be subject to provisions (i) made at the request of, or in response to an objection by or stated position of, a party other than the Company or the Holder Parties, (ii) that are not material to the interests of the Holder Parties and (iii) that are otherwise reasonably acceptable to the Majority Holders);

(ii) at 5:00 p.m. prevailing Eastern Time on the date that is sixty-four (64) calendar days following the Petition Date (subject to modification as set forth below), unless the Bankruptcy Court shall have entered the Disclosure Statement Order in form and substance reasonably acceptable to the Company and the Majority Holders

(iii) at 5:00 p.m. prevailing Eastern Time on the date that is ninety nine (99) calendar days following the Petition Date (subject to modification as set forth below), unless the Bankruptcy Court shall have entered a Confirmation Order in form and substance acceptable to the Company and the Majority Holders;

(iv) at 5:00 p.m. prevailing Eastern Time on the date that is the earlier of one hundred and nineteen (119) calendar days following the Petition Date and October 29, 2017 (subject to modification as set forth below), unless there shall have occurred a substantial consummation (as defined in section 1101 of the Bankruptcy Code) of the Plan;

(v) upon the filing by the Company of any motion or other request for relief seeking to, or the granting by the Bankruptcy Court of any motion by any other person seeking to (A) dismiss any of the Chapter 11 Cases, (B) convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (C) appoint a trustee or an examiner with expanded powers pursuant to section 1104 of the Bankruptcy Code in any of the Chapter 11 Cases or (D) terminate exclusivity under section 1121 of the Bankruptcy Code;

(vi) upon the entry of an order by the Bankruptcy Court (A) making a finding of fraud, dishonesty or misconduct by any officer or director of the Company, regarding or relating to the Company or (B) vacating, amending, terminating, extending or modifying the DIP Orders without the consent of the Majority Holders, other than amendments and modifications (i) made at the request of, or in response to an objection by or stated position of, a party other than the Company or the Holder Parties, (ii) that are not material to the interests of the Holder Parties and (iii) that are otherwise reasonably acceptable to the Majority Holders;

(vii) the Bankruptcy Court grants relief that is inconsistent with this Agreement or the Restructuring Documents (in each case, with such amendments and modifications as have been effected in accordance with the terms hereof);

(viii) the withdrawal, waiver, amendment or modification, or the filing of a pleading by the Company seeking to withdraw, waive, amend or modify, any term or condition of any of the Restructuring Documents or any documents related thereto, including motions, notices, exhibits, appendices and orders, in a manner not consistent with the standards of acceptability set forth in Section 1(b), other than amendments and modifications (i) made at the request of, or in response to an objection by or stated position of, a party other than the Company or the Holder Parties, (ii) that are not material to the interests of the Holder Parties and (iii) that are otherwise reasonably acceptable to the Majority Holders;

(ix) the Company files, proposes or otherwise supports any plan of liquidation, sale of all or substantially all of the Company's assets or plan of reorganization other than the Plan and the Restructuring (other than the filing of a motion to approve bidding procedures on a precautionary, contingent basis as is required by the DIP Financing);

(x) an order is entered by the Bankruptcy Court granting relief from the automatic stay imposed by section 362 of the Bankruptcy Code authorizing any party to proceed against any asset of the Company with a value, individually or in the aggregate, of $350,000 or more, or that would adversely affect the Company's ability to operate its businesses in the ordinary course;

(xi) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction (including the Bankruptcy Court), of any ruling or order denying any requisite approval of, or delaying or impeding (which ruling or order would reasonably be expected to render confirmation or consummation of the Plan or any other portion of the Restructuring in accordance with this Agreement impossible), or enjoining the confirmation or consummation of the Plan or any other portion of the Restructuring;

(xii) the Company experiences any circumstance, change, effect, event, occurrence, state of facts or development, after the date hereof, other than the filing and prosecution of the Chapter 11 Cases, that either alone or in combination has had or is reasonably likely to have a material adverse effect on the financial condition, business, assets or operations of the Company taken as a whole, or that causes a material adverse change to the Company's Business Plan, as disclosed to the Holder Parties prior to the execution of this Agreement.;

(xiii) the failure by the Company to pay the fees and expenses set forth in Section 4(b) of this Agreement within ten (10) calendar days of receipt by the Company of an invoice related to such fees and expenses;

(xiv) the filing by the Company (or, if any material relief adverse to the Holder Parties is granted by such filing, any other party in interest) of any motion, objection, application or adversary proceeding (x) challenging the validity enforceability, perfection or priority of, or seeking avoidance or subordination (other than pursuant to existing contractual arrangements with the ABL Administrative Agent and ABL Lenders) of the

First Lien Claims, Second Lien Claims, the liens securing the First Lien Claims and/or the liens securing the Second Lien Claims or (y) asserting any other claim or cause of action against and/or with respect to the First Lien Claims, the prepetition liens securing the First Lien Claims, any of the First Lien Lenders or the First Lien Agent, the Second Lien Claims, the prepetition liens securing the First Lien Claims, any of the Second Lien Lenders Party to this Agreement or the Second Lien Agent

(xv) prior to the filing of the Chapter 11 Cases, any breach of, or any default under, the First Lien Credit Agreement that has not been waived;

(xvi) prior to the filing of the Chapter 11 Cases, upon any "Limited Waiver Termination Event" as defined by and set forth in that certain Limited Waiver to First Lien Credit Agreement, dated as of May 8, 2017, by and among Holdings, True Religion Apparel, Inc., the subsidiaries of the Company party thereto and the lenders party thereto, as amended;

(xvii) if an involuntary case against the Company is commenced or an involuntary petition is filed seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization or other relief in respect of the Company or the Company's debts, or of a substantial part of the Company's assets, under any federal, state or foreign bankruptcy, insolvency, administrative, receivership or similar law now or hereafter in effect, or if any court order grants the relief sought in such involuntary proceeding;

(xviii) except in each case as expressly contemplated hereunder, (A) if the Company voluntarily commences any case or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect, (B) if the Company applies for or consents to the appointment of a receiver, administrator, administrative receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or for a substantial part of the Company's assets, (C) if the Company files an answer admitting the material allegations of a petition filed against it in any such proceeding, (D) any general assignment or arrangement for the benefit of creditors of the Company or (E) if the Company takes any corporate action for the purpose of authorizing any of the foregoing; or

(xix) a "Termination Date" under and as defined in the DIP Orders has occurred.

The milestones set forth in Section 6(h) above are set off the milestones under the DIP Financing and accordingly, if such milestone dates are modified or extended in, or pursuant to, the DIP Financing, the milestones set forth in Section 6(h) above will be automatically modified or extended in the same manner, unless the Majority Holders expressly agree otherwise in their sole discretion; provided that (i) the Majority Holders shall notify the Company of an objection to an extension of any milestone(s) within one business day of the Company's provision of notice of such extension to the Majority Holders' counsel and (ii) the Majority Holders shall not have any right of objection with respect to an extension of a milestone which is for ten (10) business days or less (up to an aggregate of twenty (20) days).

Upon the termination of this Agreement pursuant to this Section 6, this Agreement shall forthwith become void and of no further force or effect, each Party shall be released from its commitments, undertakings and agreements under or related to this Agreement, and there shall be no liability or obligation on the part of any Party; provided, however, that in no event shall any such termination relieve a Party from (i) liability for its breach or non-performance of its obligations hereunder prior to the date of such termination, notwithstanding any termination of this Agreement by any other Party, and (ii) obligations under this Agreement which expressly survive any such termination pursuant to Section 16; provided further, however, that notwithstanding anything to the contrary herein, (i) the right to terminate this Agreement under this Section 6 shall not be available to any Party whose failure to fulfill any material obligation under this Agreement has been the cause of, or resulted in, the occurrence of a Support Termination Event and (ii) any Support Termination Event may be waived only in accordance with this Agreement and the procedures established by Section 9, in which case the Support Termination Event so waived shall be deemed not to have occurred, this Agreement shall be deemed to continue in full force and effect, and the rights and obligations of the Parties shall be restored, subject to any modification set forth in such waiver. Upon termination of this Agreement, any and all consents, agreements, undertakings, tenders, waivers, forbearances and votes delivered by a Holder Party prior to such termination shall be deemed, for all purposes, to be null and void *ab initio* and shall not be considered or otherwise used in any manner by the Company or any other party. For the avoidance of doubt, the automatic stay arising pursuant to section 362 of the Bankruptcy Code shall be deemed waived or modified for purposes of providing notice or exercising rights hereunder.

7. Good Faith Cooperation; Further Assurances. From the Execution Date until the End Date, the Parties shall cooperate with each other and negotiate the Restructuring Documents in good faith and shall coordinate their activities (to the extent practicable) in respect of all matters concerning the implementation and consummation of the Restructuring. Further, each of the Parties shall take such action (including executing and delivering any other agreements and making and filing any required regulatory filings) as may be reasonably necessary to carry out the purposes and intent of this Agreement.

8. Remedies. Subject to the proviso at the end of this sentence, all remedies that are available at law or in equity, including specific performance and injunctive or other equitable relief, to any Party for a breach of this Agreement by another Party shall be available to the non-breaching Party, and all rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Party or any other Party; provided, however, that notwithstanding the foregoing, the Sponsor's sole remedy against any Holder Party under this Agreement is for specific performance hereunder, and the Sponsor expressly waives any and all rights to any other remedy that may be available to it at law or in equity, including, without limitation, any monetary damages.

9. Amendments and Modifications; Waivers.

(a) This Agreement may be amended or modified only upon written approval of both (i) the Company and (ii) the Majority Holders; provided, however, that (A) in no event shall this Agreement be so amended or modified with respect to any Holder Party in any manner that would adversely affect such Holder Party's legal rights under this Agreement in a disproportionate or discriminatory manner (as compared to all other Holder Parties), without such Holder Party's prior written consent, (B) in no event shall this Agreement be so amended or modified with respect to Sponsor in any manner that would adversely affect the amount of consideration to which it is entitled under the Plan or other otherwise materially and adversely affect its rights

under this Agreement, without the Sponsor's prior written consent, and (C) any amendments to this Section 9 shall (1) require the written consent of each Holder Party and (2) only as to amendments that may affect Sponsor's rights under clause (B) of this paragraph, require the written consent of Sponsor. Any amendment or modification of any condition, term or provision to this Agreement must be in writing. Any amendment or modification made in compliance with this Section 9 shall be binding on all of the Parties, regardless of whether a particular Party has executed or consented to such amendment or modification.

(b) At any time prior to the End Date, the Company, on the one hand, and the Majority Holders, on the other, to the extent legally permitted, may (i) extend the time for the performance of any of the obligations of any other Party, (ii) waive any inaccuracies in the representations and warranties made to such Party contained herein or in any document delivered pursuant hereto, and (iii) waive compliance with any of the agreements, covenants or conditions for the benefit of such Party contained herein. Any agreement on the part of a Party to any such extension or waiver will be valid only if set forth in an instrument in writing signed on behalf of such Party.

10. Independent Analysis. Each of the Holder Parties, the Sponsor and the Company hereby confirms that it has made its own decision to execute this Agreement based upon its own independent assessment of documents and information available to it, as it has deemed appropriate.

11. Representation by Counsel. Each Party acknowledges that it has had the opportunity to be represented by counsel in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would provide any Party with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel, shall have no application and is expressly waived.

12. Governing Law. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws that would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in either a state or federal court of competent jurisdiction in the State and County of New York. By execution and delivery of this Agreement, each of the Parties hereby irrevocably accepts and submits itself to the nonexclusive jurisdiction of each such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to jurisdiction in either a state or federal court of competent jurisdiction in the State and County of New York, upon the commencement of the Chapter 11 Cases, each of the Parties hereby agrees that, if the Chapter 11 Cases are pending, the Bankruptcy Court shall have exclusive jurisdiction over all matters arising out of or in connection with this Agreement. EACH PARTY HERETO ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHTS SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF

THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY, AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 12.

13. Notices. All notices, requests, demands, document deliveries and other communications under this Agreement shall be in writing and shall be deemed to have been duly given, provided or made (a) when delivered personally, (b) when sent by electronic mail ("***e-mail***") or facsimile, (c) one (1) business day after deposit with an overnight courier service or (d) three (3) business days after mailed by certified or registered mail, return receipt requested, with postage prepaid to the Parties at the following addresses, facsimile numbers or e-mail addresses (or at such other addresses, facsimile numbers or e-mail addresses for a Party as shall be specified by like notice):

If to the Company:

True Religion Apparel, Inc.
1888 Rosecrans Avenue
Manhattan Beach, CA 90266
Attention: Dalibor Snyder, Chief Financial Officer (dalibor@truereligion.com)

with a copy to (which shall not constitute notice):

Pachulski Stang Ziehl & Jones LLP
919 North Market Street, 17th Floor
Wilmington, DE. 19801
Attention: Laura Davis Jones (ljones@pszjlaw.com)

If to the Sponsor:

c/o Towerbrook Capital Partners, L.P.
65 East 55th Street
27th Floor
New York, NY 10022
Facsimile: (917) 591-4789
Attention: Glenn F. Miller (glenn.miller@towerbrook.com)

with a copy to (which shall not constitute notice):

Wachtell, Lipton, Rosen & Katz
51 W. 52nd Street
New York, NY 10019
Attention: Josh Feltman (jafeltman@wlrk.com)

If to the Holder Parties: To each Holder Party at the addresses, facsimile numbers or e-mail addresses set forth below the Holder Party's signature page to this Agreement (or to the signature page to a Joiner in the case of any Holder that becomes a party hereto after the Execution Date).

with a copy to (which shall not constitute notice):

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036

Facsimile: (212) 872-1002
Attention: Arik Preis (apreis@akingump.com)
Allison Miller (amiller@akingump.com)
Jason Rubin (jrubin@akingump.com)

14. Reservation of Rights. Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict (a) the ability of any Party to protect and preserve its rights, remedies and interests, including the First Lien Claims and any other claims against the Company or other parties, or its full participation in any bankruptcy proceeding, including the rights of a Holder Party or the Sponsor under any applicable bankruptcy, insolvency, foreclosure or similar proceeding, in each case, so long as the exercise of any such right does not breach such Holder Party's or the Sponsor's obligations hereunder; (b) the ability of a Holder Party to purchase, sell or enter into any transactions in connection with the Participating Claims, subject to the terms hereof; (c) any right of any Holder Party (i) under the Debt Documents, or which constitutes a waiver or amendment of any provision of any Debt Document or (ii) under any other applicable agreement, instrument or document that gives rise to a Holder Party's Participating Claims, or which constitutes a waiver or amendment of any provision of any such agreement, instrument or document, subject to the terms of Section 3(a); (d) the ability of a Holder Party to consult with its advisors (including the Holder Parties' Advisors), other Holder Parties or the Company; or (e) the ability of a Holder Party or the Sponsor (subject to the limitations set forth in Section 8 hereof) to enforce any right, remedy, condition, consent or approval requirement under this Agreement or any of the Restructuring Documents. Without limiting the foregoing sentence in any way, after the termination of this Agreement pursuant to Section 6, the Parties each fully reserve any and all of their respective rights, remedies, claims and interests, subject to Section 6, in the case of any claim for breach of this Agreement. Further, nothing in this Agreement shall be construed to prohibit any Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as such appearance and the positions advocated in connection therewith are consistent with this Agreement and the Restructuring Documents and are not for the purpose of, and could not reasonably be expected to have the effect of, hindering, delaying or preventing the consummation of the Restructuring.

15. Rule of Interpretation. Notwithstanding anything contained herein to the contrary, it is the intent of the Parties that all references to votes or voting in this Agreement be interpreted to include votes or voting on a plan of reorganization under the Bankruptcy Code. Time is of the essence in the performance of the obligations of each of the Parties. The words "hereof," "herein" and "hereunder" and words of like import used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. References to any Articles, Sections, Exhibits and Schedules are to such Articles, Sections, Exhibits and Schedules of this Agreement unless otherwise specified. All Exhibits and Schedules annexed hereto or referred to herein (including any exhibits, schedules or attachments thereto) are hereby incorporated in and made a part of this Agreement as if set forth in full herein. Any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular. Whenever the words "include," "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation," whether or not they are in fact followed by those words or words of like import. "Writing," "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form. Any reference to "business day" means any day, other than a Saturday, a Sunday or any other day on which banks located in New York, New York are closed for business as a result of federal, state or local holiday and any other reference to day means a calendar day.

16. Survival. Notwithstanding (a) any sale of the Participating Claims in accordance with Section 3 or (b) the termination of this Agreement in accordance with its terms, the agreements and obligations of the Parties in Sections 4(b) (with respect to amounts accrued prior to the termination of this

Agreement), 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25, shall survive such sale and/or termination and shall continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

17. Successors and Assigns; Severability; Several Obligations. Subject to Section 3, this Agreement is intended to bind and inure to the benefit of the Parties and their respective permitted successors, assigns, heirs, executors, estates, administrators and representatives. The invalidity or unenforceability at any time of any provision hereof in any jurisdiction shall not affect or diminish in any way the continuing validity and enforceability of the remaining provisions hereof or the continuing validity and enforceability of such provision in any other jurisdiction. The agreements, representations and obligations of the Holder Parties under this Agreement are, in all respects, several and not joint and several.

18. Third-Party Beneficiaries. This Agreement is intended for the benefit of the Parties and no other person or entity shall be a third party beneficiary hereof or have any rights hereunder.

19. Counterparts; Additional Holder Parties. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same agreement. Execution copies of this Agreement may be delivered by facsimile, electronic mail or otherwise, each of which shall be deemed to be an original for the purposes of this paragraph. Any holder of First Lien Claims that is not already an existing Holder Party may execute the Joinder and, in doing so, shall become a Joining Party and shall thereafter be deemed to be a "Holder Party" and a party for all purposes under this Agreement.

20. Entire Agreement. This Agreement and the Exhibits and Schedules attached hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior agreements (oral and written) and all other prior negotiations between and among the Company, the Sponsor and the Holder Parties (and their respective advisors) with respect to the subject matter hereof; provided, however, that the Parties acknowledge and agree that any confidentiality agreements heretofore executed between any Parties hereto shall continue in full force and effect as provided therein.

21. Headings. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement and shall not affect the interpretation of this Agreement.

22. Settlement Discussions. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties. Nothing herein shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408, any applicable state rules of evidence and any other applicable law, foreign or domestic, this Agreement and all negotiations relating thereto shall not be admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement.

23. Publicity. The Company shall not (a) use the name of any Holder Party in any communication (including a press release, pleading or other publicly available document) (other than a communication with the legal, accounting, financial and other advisors to, and employees, officers, directors, members, managers or shareholders of, the Company, in each case who are under obligations of confidentiality to the Company with respect to such communication, and whose compliance with such obligations the Company shall be responsible for) without such Holder Party's prior written consent or (b) disclose to any person, other than legal, accounting, financial and other advisors to the Company (who are under obligations of confidentiality to the Company with respect to such disclosure, and whose compliance with such obligations the Company shall be responsible for), the principal amount or

percentage of the Participating Claims held by any Holder Party or any of its respective subsidiaries; provided, however, that the Company shall be permitted to disclose at any time the aggregate principal amount of, and aggregate percentage of, any class of the Participating Claims held by the Holder Parties as a group. Notwithstanding the foregoing, the Holder Parties hereby consent to the disclosure by the Company in the Restructuring Documents or as otherwise required by law, regulation or applicable court order, of the execution, terms and contents of this Agreement; provided, further, that (i) if the Company determines that it is required to attach a copy of this Agreement to any Restructuring Document or any other filing or similar document relating to the transactions contemplated hereby, it will redact any reference to a specific Holder Party and such Holder Party's holdings (unless required by law, regulation or applicable court order) and (ii) if disclosure is required by applicable law or court order, advance notice of the intent to disclose shall be given by the disclosing Party to each Holder Party (who shall have the right to seek a protective order prior to disclosure). Notwithstanding the foregoing, the Company will submit to Akin Gump all press releases, public filings, public announcements or other communications with any news media, in each case, to be made by the Company relating to this Agreement or the transactions contemplated hereby and any amendments thereof for prior approval by the Majority Holders. The Company will submit to the Holder Parties in advance, to the extent reasonably practicable, all material written communications with dealers, customers and employees relating to the transactions contemplated by this Agreement, will take the Holder Parties' views with respect to such communications into account and will otherwise consult with the Holder Parties and their advisors with respect to its general communications strategy in respect of the Restructuring. Nothing contained herein shall be deemed to waive, amend or modify the terms of any confidentiality or non-disclosure agreement between the Company and any Holder Party, including the confidentiality and non-disclosure provisions contained in the Debt Documents.

24. Fiduciary Duties; Relationship Among Holder Parties and the Company. Notwithstanding anything to the contrary herein, the duties and obligations of the Holder Parties under this Agreement shall be several, not joint. Furthermore, notwithstanding anything to the contrary herein, nothing in this Agreement shall require the Company to take any action, or to refrain from taking any action (including termination of this Agreement), to the extent that the board of directors of Holdings (or other applicable Company party) determines, after consultation with the Company's relevant outside professional advisors, that taking such action or refraining from taking such action would not be consistent with the applicable directors' fiduciary obligations under applicable law (any such action, or refraining from action, to the extent that taking such action or refraining from taking such action absent this Section 24 would, or would be reasonably expected to, result in a material breach of this Agreement or impede, in any material manner, consummation of the Restructuring on the terms contemplated hereby, being a "***Fiduciary Action***"); provided, however, that (i) the Company shall use commercially reasonable efforts to give the Holder Parties not less than three (3) business days prior written notice of, and in any event written notice substantially contemporaneously with, such anticipated action or anticipated refraining from taking such action, (ii) the Majority Holders may terminate this Agreement in accordance with, and subject to the terms of, Section 6 and (iii) specific performance shall not be available as a remedy if this Agreement is terminated in accordance with this Section 24. None of the Holder Parties shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities to each other, any First Lien Lender, the Company, the Sponsor, or any of the Company's creditors or other stakeholders, including without limitation any holders of Second Lien Claims or ABL Claims, and there are no commitments among or between the Holder Parties, in each case except as expressly set forth in this Agreement. It is understood and agreed that any Holder Party may trade in any debt or equity securities of the Company without the consent of the Company, the Sponsor or any other Holder Party, subject to applicable securities laws and Section 3(d) of this Agreement. No prior history, pattern or practice of sharing confidences among or between any of the Holder Parties, the Sponsor and/or the Company shall in any way affect or negate this understanding and agreement.

25. No Solicitation. This Agreement and transactions contemplated herein are the product of negotiations among the Parties, together with their respective representatives. Notwithstanding anything herein to the contrary, this Agreement is not, and shall not be deemed to be, a solicitation of votes for the acceptance of the Plan or any plan of reorganization for the purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise. The Company will not solicit acceptances of the Plan from any party until such party has been provided with copies of a Disclosure Statement containing adequate information as required by section 1125 of the Bankruptcy Code.

[*Remainder of page intentionally left blank*]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered by their respective duly authorized officers, solely in their respective capacity as officers of the undersigned and not in any other capacity, as of the date first set forth above.

HOLDINGS:

TRLG INTERMEDIATE HOLDINGS, LLC

By: _____
Name: _____
Its: _____

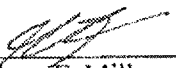
THE COMPANY:

TRUE RELIGION APPAREL, INC.,
on behalf of itself and each of its direct and indirect subsidiaries

By: _____
Name: _____
Its: _____

SPONSOR

Name of Institution: TRLG HOLDINGS, LLC

By: 
Name: Glenn F. Miller
Title: Vice President

Telephone: [redacted]
Facsimile: [redacted]

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

JFIN CLO 2012 LTD
JFIN CLO 2013 LTD
JFIN CLO 2014 LTD
JFIN MM CLO 2014 LTD
JFIN CLO 2014-11 LTD
JFIN CLO 2015 LTD

By: APEX CREDIT PARTNERS LLC,
as Portfolio Manager

By: _____

Name: Stephen Goetschius

Title: Managing Director

Telephone: [redacted]

Facsimile: [redacted]

First Lien Claims:

Second Lien Claims:

ABL Claims:

[redacted]

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

FARMSTEAD MASTER FUND, LTD.
OC 530 OFFSHORE FUND, LTD.

By: FARMSTEAD CAPITAL MANAGEMENT, LLC,
on behalf of its funds and accounts listed above

By: _____

Name: Michael Scott

Title: Managing Member

Telephone: [redacted]

Facsimile: [redacted]

First Lien Claims:

Second Lien Claims:

ABL Claims:

[redacted]

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

Goldman Sachs Strategic Income Fund
Goldman Sachs High Yield Floating Rate Fund
Goldman Sachs High Yield Fund
Global Opportunities Offshore Ltd
Goldman Sachs Global Strategic Income Bond Portfolio
Goldman Sachs Income Builder Fund
High Yield Floating Rate Portfolio (LUX)
Floating Rate Loan Fund
Global Multi-Sector Credit Portfolio (Lux)
AST Goldman Sachs Strategic Income Portfolio
Global Opportunities LLC
Goldman Sachs Income Builder Fund-Canada
Factory Mutual Insurance Company_High Yield
Goldman Sachs Strategic Absolute Return Bond I Portfolio
Fire & Police Pension Association of Colorado
Lyondell Master Trust - High Yield
WestRock Company Master Retirement Trust_GSAM High Yield Fixed Income
Goldman Sachs Strategic Absolute Return Bond II Portfolio

By: **GOLDMAN SACHS ASSET MANAGEMENT, L.P.,**
on behalf of its funds and accounts listed above

By: _____

Name: Joan Joseph

Title: Managing Director

Telephone: [redacted]

Facsimile: _____

First Lien Claims: [redacted]

Second Lien Claims:

ABL Claims:

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

Global Opportunities Offshore Ltd
Global Opportunities LLC
Goldman Sachs Strategic Income Fund
Goldman Sachs High Yield Floating Rate Fund
Goldman Sachs High Yield Fund
High Yield Floating Rate Portfolio (LUX)
Floating Rate Loan Fund
Cal Regents High Yield
Factory Mutual Insurance Company_High Yield
Lyondell Master Trust - High Yield
WestRock Company Master Retirement Trust_GSAM High Yield Fixed Income

By: GOLDMAN SACHS ASSET MANAGEMENT, L.P.,
on behalf of its funds and accounts listed above

By: _____
Name: Jean Joseph
Title: Managing Director

Telephone: [redacted]

Facsimile: _____

First Lien Claims: [redacted]
Second Lien Claims:
ABL Claims:

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

JAMESTOWN CLO I LTD.
JAMESTOWN CLO II LTD.
JAMESTOWN CLO III LTD.
JAMESTOWN CLO IV LTD.
FRASERSULLIVAN CLO VII LTD.
COA SUMMIT CLO LTD.

By: **INVESTCORP CREDIT MANAGEMENT US LLC, as Portfolio Manager**
on behalf of its funds and accounts listed above

By: David Endler

Name: DAVID ENDLER

Title: PORTFOLIO MANAGER

Telephone: [redacted]

Facsimile: [redacted]

First Lien Claims:

Second Lien Claims:

ABL Claims:

[redacted]

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

Palmer Square CLO 2013-1, Ltd
Palmer Square CLO 2013-2, Ltd

By: **Palmer Square Capital Management LLC,**
on behalf of its funds and accounts listed above

By: _____

Name: Matt Bloomfield

Title: Managing Director/Portfolio Manager

Telephone: [redacted]

Facsimile: _____

First Lien Claims: [redacted]

Second Lien Claims:

ABL Claims:

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

SOUTHPAW CREDIT OPPORTUNITY MASTER FUND L.P.

By: **SOUTHPAW ASSET MANAGEMENT LP,**
on behalf of the fund listed above as its investment adviser

By: _____

Name: Kevin Wyman, Managing Member of General Partner - Southpaw Holdings LLC

Title:

Telephone: [redacted]

Facsimile: [redacted]

First Lien Claims:

Second Lien Claims:

ABL Claims:

[redacted]

NOTICE ADDRESS:

[redacted]

HOLDER PARTY

Ivy High Income Fund
Waddell & Reed Advisors High Income Fund
Ivy Variable Insurance Portfolio High Income
Ivy High Income Opportunities Fund
Ivy Global Investors High Income Fund
Ivy Apollo Multi-Asset Income Fund
Ivy Apollo Strategic Income Fund

By: WADDELL & REED INVESTMENT MANAGEMENT COMPANY and IVY INVESTMENT MANAGEMENT COMPANY, on behalf of the funds and accounts listed above

By: _____

Name: Chad Gunther

Title: Sr. Vice President

Telephone: [redacted]

Facsimile: [redacted]

First Lien Claims:

Second Lien Claims:

ABL Claims:

[redacted]

NOTICE ADDRESS:

[redacted]

EXHIBIT A

COMPANY SUBSIDIARIES

1. Guru Denim Inc., a California corporation
2. True Religion Sales, LLC, a Delaware limited liability company
3. TRLGGC Services, LLC, a Virginia limited liability company

EXHIBIT B

PLAN

THIS IS NOT A SOLICITATION OF AN ACCEPTANCE OR REJECTION OF THE FOLLOWING CHAPTER 11 PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. A DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL, BUT HAS NOT BEEN APPROVED BY THE COURT.

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
True Religion Apparel, Inc.,[1] et al.,	Case No. 17-11460 (___)
Debtors.	(Joint Administration Requested)

DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION

Dated: July 5, 2017

PACHULSKI STANG ZIEHL & JONES LLP
Laura Davis Jones (DE Bar No. 2436)
Richard M. Pachulski (CA Bar No. 90073)
Robert B. Orgel (CA Bar No. 101875)
David M. Bertenthal (CA Bar No. 167624)
James E. O'Neill (DE Bar No. 4042)
919 North Market Street, 17th Floor
Wilmington, DE 19899-8705 (Courier 19801)
Telephone: 302/652-4100
Facsimile: 302/652-4400
E-mail: ljones@pszjlaw.com
rpachulski@pszjlaw.com
rorgel@pszjlaw.com
dbertenthal@pszjlaw.com
joneill@pszjlaw.com

Proposed Counsel for the Debtors and Debtors in Possession

[1] The Debtors, together with the last four digits of each Debtor's tax identification number, are: True Religion Apparel, Inc. (2633), TRLG Intermediate Holdings, LLC (3150), Guru Denim Inc. (1785), True Religion Sales, LLC (3441), and TRLGGC Services, LLC (8453). The location of the Debtors' headquarters and service address is: 1888 Rosecrans Avenue, Manhattan Beach, CA 90266.

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DEBTORS' JOINT CHAPTER 11 PLAN OF REORGANIZATION

TRUE RELIGION APPAREL, INC. and its Affiliates, as debtors and debtors in possession in the above-captioned cases (collectively, the "Debtors"), propose the following joint chapter 11 plan of reorganization (the "Plan") for, among other things, the resolution of the outstanding Claims against, and Equity Interests in, the Debtors. The Plan reflects the agreement reached among the Debtors, Equity Parent, and the Consenting Creditors to reorganize the Debtors as a going-concern business and outlines a consensual deleveraging transaction that will leave the Debtors with a significantly improved capital structure. The Debtors, Equity Parent, and the Consenting Creditors believe that the financial restructurings, the operational restructuring (through, among other things, focused lease rejections) and the other transactions reflected in the Plan will position the Reorganized Debtors well to succeed post emergence from bankruptcy. With a sustainable capital structure aligned with the Debtors' revised business plan and adequate operating liquidity, the Reorganized Debtors will be positioned to compete more effectively in the evolving retail industry. The Debtors, Equity Parent, and the Consenting Creditors determined that it was a better option for the Debtors to file for chapter 11 with an agreement on a Plan that provides the possibility of recoveries to all of the Debtors' stakeholders and allows the Debtors to undertake the necessary financial and operational restructurings now, rather than delay the chapter 11 filing and risk further deterioration to the Debtors' business, which would result in less value for all of the Debtors' stakeholders.

Unless otherwise noted, capitalized terms used in this Plan have the meanings set forth in ARTICLE I.C of the Plan. The Debtors are the proponents of this Plan within the meaning of section 1129 of the Bankruptcy Code. Reference is made to the Disclosure Statement (as such term is defined herein and distributed contemporaneously herewith) for a discussion of the Debtors' history, business, results of operations, historical financial information, accomplishments leading up to the commencement of the Chapter 11 Cases, projections and properties, and for a summary and analysis of this Plan and the treatment provided for herein. There also are other agreements and documents that will be Filed with the Bankruptcy Court that are referenced in this Plan, the Plan Supplement, or the Disclosure Statement as Exhibits and Plan Schedules. All such Exhibits and Plan Schedules are incorporated into and are a part of this Plan as if set forth in full herein. Subject to the terms set forth herein and in the Restructuring Support Agreement, and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, the Debtors reserve the right to alter, amend, modify, revoke or withdraw this Plan prior to its Consummation.

The Plan contemplates deemed substantive consolidation of the Debtors for voting and Plan Distribution purposes only with respect to the Claims. If the Plan cannot be confirmed as to some or all of the Debtors, then, without prejudice to the respective parties' rights under the Restructuring Support Agreement and subject to the terms set forth herein and therein, (a) the Plan may be revoked as to all of the Debtors, or (b) the Debtors may revoke the Plan as to any Debtor and confirm the Plan as to the remaining Debtors to the extent required. The Debtors reserve the right to seek confirmation of the Plan pursuant to the "cram down" provisions contained in section 1129(b) of the Bankruptcy Code with respect to any non-accepting Class of Claims as set forth in ARTICLE IV.D hereof.

Notwithstanding any rights of approval that may exist pursuant to the Restructuring Support Agreement or otherwise as to the form or substance of the Disclosure Statement, the Plan or any other document relating to the transactions contemplated hereunder or thereunder, neither the Prepetition First Lien Agent, the Prepetition First Lien Lenders, the Equity Parent, nor their respective representatives, members, financial or legal advisors, or agents, has independently verified the information contained herein or takes any responsibility therefor and

none of the foregoing entities or persons makes any representations or warranties whatsoever concerning the information contained herein.

ARTICLE I.
RULES OF INTERPRETATION, COMPUTATION OF TIME, GOVERNING LAW AND DEFINED TERMS

A. Rules of Interpretation, Computation of Time and Governing Law

For purposes hereof: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and the neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document, as previously amended, modified or supplemented, if applicable, shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented in accordance with its terms; (d) unless otherwise specified, all references herein to "Articles," "Sections," "Exhibits" and "Plan Schedules" are references to Articles, Sections, Exhibits and Plan Schedules hereof or hereto; (e) unless otherwise stated, the words "herein," "hereof," "hereunder" and "hereto" refer to this Plan in its entirety rather than to a particular portion of this Plan; (f) captions and headings to Articles and Sections are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) any reference to an Entity as a Holder of a Claim or Equity Interest includes such Entity's successors and assigns; (h) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (i) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; and (j) "$" or "dollars" means Dollars in lawful currency of the United States of America. The provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. Wherever in this Plan there is a reference to the consent of the Required Consenting Creditors, or where it states that information will be delivered to the Required Consenting Creditors, such reference shall require that the Debtors communicate directly to the legal and financial advisors to the Consenting Creditors and such advisors shall communicate with the Consenting Creditors.

B. Restructuring Support Agreement; Consent Rights Required

Notwithstanding anything herein to the contrary, so long as the Restructuring Support Agreement has not been terminated in accordance with its terms, any and all consents and approval rights of the respective parties as set forth in the Restructuring Support Agreement with respect to (i) the form and substance of this Plan, (ii) the documents to be Filed as part of the Plan Supplement, (iii) the other Plan Documents, (iv) any other orders or documents referenced herein or otherwise to be executed in connection with the transactions contemplated hereunder, and/or (v) any other Restructuring Documents (as defined in the Restructuring Support Agreement), including, in each case, any amendments, restatements, supplements, or other modifications thereto, and any consents, waivers, or other deviations under or from any such documents, shall be expressly incorporated herein by this reference (including to the applicable definitions in ARTICLE I.C hereof) and fully enforceable as if stated in full herein. To the extent that there is any inconsistency between the Restructuring Support Agreement, on the one hand, and the Plan, on the other hand, as to such consents and the approval rights and the Restructuring Support Agreement has not been terminated, then the consents and the approval rights required in the Restructuring Support Agreement shall govern.

C. Defined Terms

Unless the context otherwise requires, the following terms shall have the following meanings when used in capitalized form herein (and their plural or singular forms shall have correlative meanings):

1. "*Accrued Professional Compensation*" means, with respect to a particular Professional, an Administrative Expense Claim of such Professional for compensation for services rendered or reimbursement of costs, expenses or other charges incurred on or after the Petition Date and prior to and including the Effective Date. For the avoidance of doubt, Accrued Professional Compensation shall not include the Restructuring Expenses.

2. "*Administrative Expense Claim*" means any Claim for costs and expenses of administration of the Chapter 11 Cases that is Allowed pursuant to sections 327, 328, 330, 365, 503(b), 507(a)(2), 507(b) or 1114(e)(2) of the Bankruptcy Code, including, without limitation, (a) the actual and necessary costs and expenses incurred on or after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) the Accrued Professional Compensation; (c) the Restructuring Expenses; (d) the DIP Facility Claims, including, without limitation, the reasonable and documented fees and expenses of the DIP Agent and the DIP Lenders, including their respective reasonable and documented professional and advisory fees and expenses; and (e) all fees and charges assessed against the Estates pursuant to sections 1911 through 1930 of chapter 123 of title 28 of the United States Code.

3. "*Administrative Expense Claims Bar Date*" means the Business Day which is sixty (60) days after the Effective Date or such other date as approved by order of the Bankruptcy Court.

4. "*Affiliate*" means an "affiliate" as defined in section 101(2) of the Bankruptcy Code.

5. "*Allowed*" (this term is used both separately and in conjunction with other defined terms in the Plan (*e.g.*, Allowed Priority Tax Claim)) means, except as otherwise provided herein, (a) a Claim or Equity Interest specifically allowed under the terms of the Plan, (b) a Claim or Equity Interest that has been allowed by a Final Order or in a stipulation of amount and nature of the Claim or Equity Interest executed by the Reorganized Debtors on, or after, the Effective Date, with the consent of the Required Consenting Creditors with respect to any stipulation providing for an (i) allowed Administrative Expense Claim greater than or equal to $100,000 or (ii) allowed General Unsecured Claim greater than or equal to $200,000 (which consent shall not be unreasonably withheld), (c) an Equity Interest or Claim as reflected by a Proof of Claim, in each case, timely Filed or deemed timely Filed, or (d) if the Proof of Claim has not been timely Filed or deemed timely Filed, the Claim as reflected in the Schedules if therein listed as undisputed, unliquidated and not contingent or the Equity Interest as reflected in the Schedules; provided that in the case of allowance under either subsections (c) or (d), any Claim's allowance is subject to any limitations imposed by section 502 of the Bankruptcy Code; and provided further that allowance under subsections (c) and (d) only is applicable if the Claim or Equity Interest is not timely Disputed; and provided also that allowance under subsections (c) and (d) only apply once either (1) the Debtors, with the consent of the Required Consenting Creditors, or the Reorganized Debtors have determined not to object to the Claim, or (2) the last day to timely object to such Claim has passed.

6. "*Alternative Structures*" has the meaning ascribed thereto in ARTICLE V.B.

7. "*Amended Organizational Documents*" means the new limited liability company agreement or other applicable organizational documents of Reorganized Holdings, which shall be Filed as an Exhibit with the Plan Supplement and which shall be consistent in all respects with the Restructuring Support Agreement, and shall otherwise be in form and substance acceptable to the Required Consenting Creditors in their sole discretion.

8. "*Assets*" means all of the right, title, and interest of a Debtor in and to property of whatever type or nature (including, without limitation, real, personal, mixed, intellectual, tangible, and intangible property).

9. "*Avoidance Actions*" means any and all actual or potential avoidance, recovery, subordination or other claims, actions or remedies that may be brought by and on behalf of the Debtors or their Estates under the Bankruptcy Code or applicable nonbankruptcy law, including, without limitation, claims, actions or remedies arising under sections 502, 510, 542-553 and 724(a) of the Bankruptcy Code.

10. "*Bankruptcy Code*" means Title 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended from time to time and as applicable to the Chapter 11 Cases.

11. "*Bankruptcy Court*" means the United States Bankruptcy Court for the District of Delaware, or any other court having jurisdiction over the Chapter 11 Cases.

12. "*Bankruptcy Rules*" means the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, in each case as amended from time to time and as applicable to the Chapter 11 Cases.

13. "*Bar Date*" means the deadlines set by order of the Bankruptcy Court for Filing Proofs of Claim in the Chapter 11 Cases.

14. "*Business Day*" means any day, other than a Saturday, Sunday or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

15. "*Cash*" means the legal tender of the United States of America or the equivalent thereof.

16. "*Cause of Action*" means any action, proceeding, claim, cross-claim, third-party claim, cause of action, controversy, demand, right, Lien, indemnity, contribution, guaranty, suit, obligation, liability, debt, damage, judgment, account, defense, remedy, offset, power, privilege, license and franchise of any kind or character whatsoever, in each case whether known, unknown, contingent or non-contingent, reduced to judgment or not reduced to judgment, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, foreseen or unforeseen, direct or indirect, choate or inchoate, secured or unsecured, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity or pursuant to any other theory of law. For the avoidance of doubt, Cause of Action includes: (a) any right of setoff, counterclaim or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Equity Interests; (c) any claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress and usury, and any other defenses set forth in section 558 of the Bankruptcy Code;

and (e) any claims under any state or foreign law, including, without limitation, any fraudulent transfer or similar claims.

17. "*Chapter 11 Cases*" means, with respect to a Debtor, such Debtor's voluntary case under chapter 11 of the Bankruptcy Code commenced on the Petition Date in the Bankruptcy Court, jointly administered with all other Debtors' cases under chapter 11 of the Bankruptcy Code, and styled *In re True Religion Apparel, Inc., et al.*, Case No. 17-[_____ (___)].

18. "*Claim*" means any "claim" against any Debtor as defined in section 101(5) of the Bankruptcy Code.

19. "*Claims Register*" means the official register of Claims proposed by the Debtors to be maintained by Prime Clerk LLC.

20. "*Class*" means a category of Holders of Claims or Equity Interests as set forth in ARTICLE III hereof pursuant to sections 1122(a) and 1123(a) of the Bankruptcy Code.

21. "*Class 5 Consensual Plan Consideration*" has the meaning ascribed in ARTICLE III.C.5.d.

22. "*Class 5 Default Consideration*" has the meaning ascribed in ARTICLE III.C.5.c.

23. *"Class 5 Electing Holder"* means any Holder of an Allowed General Unsecured Claim that elects the Class 5 Warrants for Debt Treatment. Pursuant to the terms of the Restructuring Support Agreement, and as part of the agreements set forth in the Plan, each Holder of an Allowed Prepetition First Lien Claim, that (a) is a Holder of an Allowed Prepetition Second Lien Claim and (b) is party to the Restructuring Support Agreement, has agreed to elect the Class 5 Warrants for Debt Treatment with respect to one hundred percent (100%) of its portion of the aggregate principal amount of the additional $2.0 million of Reorganized First Lien Term Loans that would otherwise be distributed to such Holder in respect of its Allowed General Unsecured Claim if Class 5 votes to accept the Plan.

24. "*Class 5 Equity Cash Out Option*" means the option for Holders of Allowed General Unsecured Claims, if Class 5 votes to accept the Plan, to elect to receive, in lieu of receiving Exchange Common Shares, Cash for such Exchange Common Shares in an amount equal to such Holder's Pro Rata share of $1,050,000 (as measured, for the avoidance of doubt, based such Holder's Allowed General Unsecured Claim as a percentage of all Allowed General Unsecured Claims, and not as a percentage of all Allowed General Unsecured Claims of Holders who elect the Class 5 Equity Cash Out Option).

25. *"Class 5 Reserve"* has the meaning ascribed in ARTICLE VII.B.3.

26. *"Class 5 Swapped Debt"* means that portion of the aggregate principal amount of the additional $2.0 million of Reorganized First Lien Term Loans that would be distributed to a Holder of an Allowed Class 5 Claim that elects the Class 5 Warrants for Debt Treatment if Class 5 votes to accept the Plan and such Holder did not elect the Class 5 Warrants for Debt Treatment.

27. *"Class 5 Warrants for Debt Treatment"* means, in respect of the right of each Holder of an Allowed General Unsecured Claim to receive, as part of its Plan Distribution on account of its Allowed General Unsecured Claim if Class 5 votes to accept the Plan, its Pro Rata share of the additional $2.0 million of Reorganized First Lien Term Loans, (a) the waiver by such Holder of its right to receive one hundred percent (100%) (as it may elect on its Ballot) of the aggregate principal amount of such additional $2.0 million of Reorganized First Lien Term Loans that would otherwise be distributed to such Holder in respect of its Allowed General Unsecured Claim and (b) in exchange for such waiver, the right of such Holder to receive, instead, the Class D Warrants; provided, that, such Holder is not, by such waiver, waiving its right to any other distributions due to it in respect of its Allowed General Unsecured Claim, including such Holder's Pro Rata share of the $2.5 million of Reorganized First Lien Term Loans available to Holders of Allowed General Unsecured Claims regardless of whether Class 5 votes to accept or reject the Plan (or any other Claim it may hold). The Reorganized First Lien Term Loan Documents shall reflect the resulting reduction in the principal amount of the Reorganized First Lien Term Loan Facility.

28. "*Class A Warrants*" means warrants to purchase 2.5% of the fully-diluted New Common Shares at an initial exercise price per share struck at a $116.5 million equity valuation for Reorganized Holdings, with a term of five (5) years, and such other terms consistent with the Restructuring Support Agreement and as fully set forth in the applicable Warrant Agreement.

29. "*Class B Warrants*" means, to the extent issued pursuant to the Plan, warrants to purchase 7.5% of the fully-diluted New Common Shares at an initial exercise price per share struck at a $116.5 million equity valuation for Reorganized Holdings, with a term of five (5) years, and such other terms consistent with the Restructuring Support Agreement and as fully set forth in the applicable Warrant Agreement.

30. "*Class C Warrants*" means, to the extent issued pursuant to the Plan, warrants to purchase 10.0% of the fully-diluted New Common Shares at an initial exercise price per share struck at a $216.5 million equity valuation for Reorganized Holdings, with a term of five (5) years, and such other terms consistent with the Restructuring Support Agreement and as fully set forth in the applicable Warrant Agreement.

31. "*Class D Warrants*" means warrants to purchase 1.0% of the fully-diluted New Common Shares for each $200,000 of Class 5 Swapped Debt of the fully-diluted New Common Shares at an initial exercise price per share struck at a $330.0 million equity valuation for Reorganized Holdings, with a term of five (5) years, and such other terms consistent with the Restructuring Support Agreement and as fully set forth in the applicable Warrant Agreement.

32. "*Collateral*" means any property or interest in property of any Debtor's Estate that is subject to a valid and enforceable Lien to secure a Claim.

33. "*Committee*" means any committee of unsecured creditors in the Chapter 11 Cases appointed pursuant to section 1102 of the Bankruptcy Code.

34. "*Confirmation Date*" means the date on which the clerk of the Bankruptcy Court enters the Confirmation Order on the docket of the Bankruptcy Court.

35. "*Confirmation Hearing*" means the hearing held by the Bankruptcy Court pursuant to section 1128 of the Bankruptcy Code to consider confirmation of this Plan, as such hearing may be adjourned or continued from time to time.

36. "*Confirmation Order*" means the order of the Bankruptcy Court confirming this Plan pursuant to section 1129 of the Bankruptcy Code that is in form and substance acceptable to the Debtors and the Required Consenting Creditors.

37. "*Consenting Creditor*" means any of the Holders of Prepetition First Lien Claims and Prepetition Second Lien Claims that is party to the Restructuring Support Agreement, together with its successors and permitted assigns that subsequently become party to the Restructuring Support Agreement in accordance with the terms thereof.

38. "*Consenting Creditors' Professionals*" means, collectively, (a) Akin Gump Strauss Hauer & Feld LLP, in its capacity as primary legal counsel to the Consenting Creditors; (b) Moelis and Company, LLP, as financial advisor to the Consenting Creditors; and (c) Ashby & Geddes, as Delaware counsel to the Consenting Creditors.

39. "*Consummation*" means the occurrence of the Effective Date.

40. "*Continuing Operations Claim*" means a Continuing Trade Claim or Customer Program Claim.

41. "*Continuing Trade*" means the agreement(s) of a Critical Vendor (pursuant to a critical vendor agreement or other agreement or arrangement that the Debtors determine, in the exercise of their reasonable business judgment, is satisfactory, to continue to do business with the Debtors during the Chapter 11 Cases; provided, that to the extent any such agreement or arrangement would provide for trade terms that are less favorable to the Debtors or Reorganized Debtors as compared to those trade terms that existed as of the Petition Date, the Debtors shall obtain the prior consent of the Required Consenting Creditors.

42. "*Continuing Trade Claim*" means a Claim against a Debtor that:

a. is held by a Critical Vendor who agrees to provide Continuing Trade; and

b. would be a General Unsecured Claim, as applicable, absent such Claim being held by a Critical Vendor who agrees to provide Continuing Trade, as described above.

43. "*Critical Vendor*" means a Holder of a Claim identified by the Debtors, as a critical vendor, significant to the Debtors' ability to continue to operate its business in a cost-effective manner and in the ordinary course of business without undue disruption (which critical vendor identification by the Debtors is subject to the consent rights of the Required Consenting Creditors as described in the definition of "Continuing Trade," above).

44. "*Customer Program Claim*" means a prepetition claim held by a customer of a Debtor that the Debtors determine relates to a "Customer Program" as defined or described in that certain *Debtors' Motion For Entry Of An Order Authorizing The Debtors To Honor Certain Prepetition Obligations To Customers And To Otherwise Continue Certain Customer Programs In The Ordinary Course Of Business*, as approved by the

Bankruptcy Court on or shortly after the Petition Date; with such Customer Programs including related credit card fees and generally relating to the Debtors' programs in which they offer their retail or wholesale customers gift cards, refunds, returns, exchanges, mark-down allowances, coupons, discounts, advertising reimbursements, freight offsets, and other promotional offers.

45. "*Debtor(s)*" means, individually, True Religion Apparel, Inc., TRLG Intermediate Holdings, LLC, Guru Denim Inc., and True Religion Sales, LLC, and TRLGGC Services, LLC, in each case, in their capacities as debtors in the Chapter 11 Cases.

46. "*DIP Agent*" means the administrative agent and collateral agent under the DIP Facility, and any successors thereto.

47. "*DIP Facility*" means that certain senior secured superpriority post-petition credit facility made available to the Debtors pursuant to the DIP Facility Loan Documents and the DIP Orders.

48. "*DIP Facility Claim*" means any Claim of the DIP Agent or any DIP Lender arising from, under or in connection with the DIP Facility.

49. "*DIP Facility Loan Documents*" means the credit agreement governing the DIP Facility and the related notes, guarantees, security documents, and intercreditor agreement, as the case may be, as may be amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time, which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

50. "*DIP Lenders*" means the lenders party to the DIP Facility Loan Documents and Holders of DIP Facility Claims.

51. "*DIP Orders*" means, collectively, the Interim DIP Order and Final DIP Order, each of which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

52. "*Disclosure Statement*" means that certain *Disclosure Statement for Debtors' Joint Chapter 11 Plan of Reorganization*, as amended, supplemented, or modified from time to time, which describes this Plan, including all exhibits and schedules thereto and references therein that relate to this Plan, and which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

53. "*Disclosure Statement Order*" means the order of the Bankruptcy Court approving the Disclosure Statement, as containing, among other things, "adequate information" as required by section 1125 of the Bankruptcy Code and solicitation procedures related thereto, which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

54. "*Disputed*" means, with respect to a Claim, Equity Interest or any portion thereof that is not specifically Allowed under the Plan, that such Claim, Equity Interest or portion thereof: (a) is the subject of an objection or request for estimation filed by any of the Debtors or any other party in interest in accordance with applicable law, which objection has not been withdrawn, resolved, or overruled by a Final Order of the Bankruptcy Court; (b) has not been otherwise Allowed and is scheduled by the Debtors as contingent,

unliquidated, or disputed; or (c) is otherwise disputed by any of the Debtors or any other party in interest in accordance with applicable law, which dispute has not been withdrawn, resolved, or overruled by a Final Order.

55. "*Distribution Agent*" means Reorganized Holdings or any party designated by the Debtors or Reorganized Holdings, as applicable, to serve as distribution agent under this Plan.

56. "*Distribution Record Date*" means the date for determining which Holders of Claims and Equity Interests are eligible to receive distributions hereunder, which date shall be the Confirmation Date or such other date as designated by an order of the Bankruptcy Court.

57. "*D&O Liability Insurance Policies*" means the Debtors or Reorganized Debtors insurance policies for directors' and officers' liability.

58. "*Effective Date*" means the Business Day as determined by the Debtors with the consent of the Required Consenting Creditors that this Plan becomes effective as provided in ARTICLE IX hereof, which date shall be specified in a notice filed by the Reorganized Debtors with the Bankruptcy Court.

59. "*Entity*" means an "entity" as defined in section 101(15) of the Bankruptcy Code.

60. "*Equity Interest*" means any Equity Security in any Debtor, including, without limitation, all issued, unissued, authorized or outstanding shares of stock or limited company interests, together with (i) any options, warrants or contractual rights to purchase or acquire any such Equity Securities at any time with respect to such Debtor, and all rights arising with respect thereto and (ii) the rights of any Entity to purchase or demand the issuance of any of the foregoing and shall include: (1) conversion, exchange, voting, participation, and dividend rights; (2) liquidation preferences; (3) options, warrants, and put rights; and (4) stock-appreciation rights. The term "Equity Interest" also includes any Claim that is determined to be subordinated to the status of an Equity Security by Final Order of the Bankruptcy Court, whether under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise.

61. "*Equity Interests in Holdings*" means all Equity Interests in TRLG Intermediate Holdings, LLC.

62. "*Equity Parent*" means TRLG Holdings, LLC, which owns 100% of the Equity Interests in Holdings.

63. "*Equity Parent's Professionals*" means Wachtell, Lipton, Rosen & Katz, as Equity Parent's legal counsel.

64. "*Equity Security*" means an "equity security" as defined in section 101(16) of the Bankruptcy Code.

65. "*Estates*" means the bankruptcy estates of the Debtors created by virtue of section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Cases.

66. "*Exchange Common Shares*" means the New Common Shares to be issuable by Reorganized Holdings on the Effective Date and distributable to (a) Holders of Allowed Prepetition First Lien Claims, (b) Holders of Allowed General Unsecured Claims (prior to accounting for the Class 5 Equity Cash Out Option), and (c) Holders of Allowed Equity Interests in Holdings (if applicable), in each case, in accordance with the terms of the Plan and consistent with the Restructuring Support Agreement, and which, collectively, shall constitute one-hundred percent (100%) of the issuable New Common Shares as of the Effective Date, subject to dilution by any shares of New Common Shares issuable (x) upon exercise of the New Warrants and (y) on account of the Management Incentive Plan; *provided, however*, the aggregate number of Exchange Common Shares to be distributed to Holders of Allowed General Unsecured Claims is subject to reduction on account of participation in the Class 5 Equity Cash Out Option and such reduced aggregate number of Exchange Common Shares shall constitute one-hundred percent (100%) of the New Common Shares (prior to any New Common Shares issued upon exercise of the New Warrants or on account of the Management Incentive Plan).

67. "*Excluded Party*" means, any Holder of Equity Interests in or Claims against any Debtor, or any other Person, that (i) seeks any relief materially adverse to the Restructuring, (ii) opts out of being a Releasing Party to any third-party releases sought in connection with the Plan, (iii) objects to the Plan or supports an objection to the Plan or (iv) breaches, or otherwise fails to perform its obligations under, the Restructuring Support Agreement, in each case as shall be determined by the Debtors and the Required Consenting Creditors (acting cooperatively). To the extent that a Person is deemed an Excluded Party, and such Person objects to such characterization, the Bankruptcy Court shall have final authority to determine whether such Person is an Excluded Party.

68. "*Exculpated Party*" means, in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) any Committee and (d) each Related Person of any of (a) through (c) of the foregoing.

69. "*Executory Contract*" means a contract to which any Debtor is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

70. "*Exhibit*" means an exhibit annexed hereto or to the Disclosure Statement or contained in the Plan Supplement (as such exhibits are amended, modified or otherwise supplemented from time to time), which are incorporated by reference herein.

71. "*Existing Senior Leadership Employment Agreements*" means the 12 employment agreements existing as of the Petition Date for members of the Debtor's senior leadership team as were identified to the Required Consenting Creditors.

72. "*File*" or "*Filed*" or "*Filing*" means file, filed or filing with the Bankruptcy Court or its authorized designee in the Chapter 11 Cases.

73. "*Final DIP Order*" means the order approving the DIP Facility on a final basis, which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

74. "*Final Order*" means an order or judgment of the Bankruptcy Court, the operation or effect of which has not been reversed, stayed, modified or amended and which is in full force and effect, and as to which the time to appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing has expired and as to which no

appeal, petition for *certiorari*, or other proceedings for a new trial, reargument or rehearing shall then be pending or as to which any right to appeal, petition for *certiorari*, new trial, reargument, or rehearing shall have been waived in writing, or, in the event that an appeal, writ of *certiorari*, new trial, reargument, or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been determined to be in effect by the highest court to which such order was appealed, or *certiorari*, new trial, reargument or rehearing shall have been denied and the time to take any further appeal, petition for *certiorari*, or move for a new trial, reargument or rehearing shall have expired; *provided, however*, that the possibility that a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be Filed with respect to such order shall not preclude such order from being a Final Order; provided, further, that the Debtors or the Reorganized Debtors, as applicable, reserve the right to waive any appeal period for an order or judgment to become a Final Order.

75. "*General Unsecured Claim*" means any prepetition Claim against any Debtor that is not a: (a) DIP Facility Claim; (b) Administrative Expense Claim; (c) Priority Tax Claim; (d) Non-Tax Priority Claim; (e) Miscellaneous Secured Claim; (f) Prepetition First Lien Claim; (g) Continuing Operations Claim; (h) Claim under the Prepetition Revolver; or (i) Equity Interest.

76. "*Governmental Unit*" means a "governmental unit" as defined in section 101(27) of the Bankruptcy Code.

77. "*Guru*" means Guru Denim Inc., a Debtor in the Chapter 11 Cases.

78. "*Holder*" means an Entity holding a Claim against, or Equity Interest in, any Debtor.

79. "*Holdings*" means TRLG Intermediate Holdings, LLC, a Debtor in the Chapter 11 Cases.

80. "*Impaired*" means not Unimpaired.

81. "*Initial Distribution Date*" means the Effective Date, or a date as soon as reasonably practicable after the Effective Date with respect to any particular distribution, for effectuating the applicable distribution under this Plan to the relevant Holder(s) of an Allowed Claim(s) or Equity Interest(s).

82. "*Intercompany Claims*" means any Claim or Cause of Action of a Debtor or Affiliate of a Debtor against any other Debtor or Affiliate of a Debtor, whether or not a Proof of Claim is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code in any of the Chapter 11 Cases.

83. "*Intercompany Interest*" means an Equity Interest held by a Debtor in a Debtor or non-Debtor Affiliate.

84. "*Interim DIP Order*" means the order entered by the Bankruptcy Court approving the DIP Facility on an interim basis, which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

85. "*Investor Director*" means a director, manager or managing member of any of the Debtors, Reorganized Debtors or their successors that is employed,

whether as (a) an employee or (b) as a consultant, outside professional or on another similar basis and that derives a majority of their total employment income on account of such employment), by a holder of New Common Shares or such holder's Affiliates; provided that an employer for purposes of this definition shall not include any of (i) Holdings, (ii) Reorganized Holdings, (iii) their direct or indirect subsidiaries or downstream Affiliates, (iv) any portfolio companies of such holder or such holder's Affiliates or (v) the successors of any Person or Entity identified in clauses (i) through (iv) hereof.

86. "*Lien*" means a "lien" as defined in section 101(37) of the Bankruptcy Code and, with respect to any asset, includes, without limitation, any mortgage, lien, pledge, charge, security interest or other encumbrance of any kind, or any other type of preferential arrangement that has the practical effect of creating a security interest, in respect of such asset.

87. "*Litigation Claims*" means the claims, rights of action, suits or proceedings, whether in law or in equity, whether known or unknown, that any Debtor or Estate may hold against any Entity, including, without limitation, the Causes of Action of the Debtors.

88. "*Local Rules*" means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware.

89. "*Management Incentive Plan*" means a post-Effective Date management incentive plan, pursuant to which ten percent (10%) of the equity of Reorganized Holdings shall be reserved for the New Board to grant New Common Shares, or other interests in Reorganized Holdings to directors, officers and employees of the Reorganized Debtors other than Investor Directors, and which will have such other terms and conditions as determined by the New Board.

90. "*MIP Pool*" has the meaning ascribed to it in ARTICLE V.G.

91. "*Miscellaneous Secured Claim*" means any Secured Claim other than a DIP Facility Claim or Prepetition First Lien Claim.

92. "*New ABL Facility*" means a new asset based revolving credit facility to be provided to the Reorganized Debtors upon the Effective Date by the New ABL Lenders pursuant to the New ABL Facility Documents.

93. "*New ABL Facility Documents*" means the credit agreement governing the New ABL Facility and the related notes, guarantees, security documents, and intercreditor agreement, as the case may be, as may be amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time, which shall be Filed as an Exhibit with the Plan Supplement, and which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

94. "*New ABL Lenders*" means lenders party to the New ABL Facility Documents from time to time.

95. "*New Board*" means the initial and any successor board of directors of Reorganized Holdings as described in ARTICLE V.L hereto.

96. "*New Common Shares*" means the newly issued common equity interests of Reorganized Holdings to be issued (i) on the Effective Date, (ii) upon implementation of the Management Incentive Plan, (iii) upon exercise of the New Warrants or (iv) as otherwise permitted pursuant to the Amended Organizational Documents of Reorganized Holdings.

97. "*Non-Tax Priority Claim*" means any Claim accorded priority in right of payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim or an Administrative Expense Claim.

98. "*New Warrants*" means the Class A Warrants, Class B Warrants (if issued pursuant to the Plan), Class C Warrants (if issued pursuant to the Plan), and Class D Warrants (if issued pursuant to the Plan).

99. "*Ordinary Course Professionals Order*" means any Final Order approving the motion to employ ordinary course professionals to be Filed on or after the Petition Date in the Chapter 11 Cases.

100. "*Person*" means a "person" as defined in section 101(41) of the Bankruptcy Code and also includes any natural person, corporation, general or limited partnership, limited liability company, firm, trust, association, government, governmental agency or other Entity, whether acting in an individual, fiduciary or other capacity.

101. "*Petition Date*" means the date on which the Debtors commenced the Chapter 11 Cases.

102. "*Plan*" means this *Debtors' Joint Chapter 11 Plan of Reorganization*, including the Exhibits and Plan Schedules and all supplements, appendices, and schedules thereto, either in its present form or as the same may be altered, amended, modified or otherwise supplemented from time to time in accordance with the terms herein and the Restructuring Support Agreement, which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

103. "*Plan Distribution*" means the payment or distribution of consideration to Holders of Allowed Claims and Equity Interests under this Plan.

104. "*Plan Documents*" means any of the documents, other than this Plan, to be executed, delivered, assumed, or performed in connection with the occurrence of the Effective Date, including, without limitation, the New ABL Facility Documents, the Reorganized First Lien Term Loan Documents, the solicitation materials in respect of the Plan, the Disclosure Statement, the Disclosure Statement Order, the motion seeking approval of the Disclosure Statement, and any other documents to be included in the Plan Supplement, each as may be amended, restated, amended and restated, waived, supplemented or otherwise modified consistent with the Restructuring Support Agreement, each of which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

105. "*Plan Schedule*" means a schedule annexed to or made a part of either Plan Supplement or the Disclosure Statement (as amended, modified or otherwise supplemented from time to time).

106. "*Plan Supplement*" means, collectively, the compilation of documents and forms of documents, and all exhibits, attachments, schedules, agreements, documents and instruments referred to therein, ancillary or otherwise, including, without limitation, (a) the Amended Organizational Documents, (b) the New Warrants and the Warrant Agreement, (c) the Reorganized First Lien Term Loan Documents, (d) the Schedule of Assumed Compensation and Benefit Programs, (e) the New ABL Facility Documents, (f) the Rejected Executory Contract / Unexpired Lease List, (g) a description of the Restructuring Transactions/Alternative Structures (if necessary) and (h) the identity of the members of the New Board and the nature of any compensation for any member of the New Board who is an "insider" under the Bankruptcy Code, which are incorporated by reference into, and are an integral part of, this Plan, as each of the same may be amended, modified, replaced and/or supplemented from time to time, which shall be Filed with the Bankruptcy Court on or before five (5) Business Days prior to the Confirmation Hearing (unless otherwise ordered by the Bankruptcy Court without further notice). The documents that comprise the Plan Supplement shall be subject to any consent or approval rights provided hereunder, thereunder, or in the Restructuring Support Agreement, including as provided in the definitions of the relevant documents.

107. "*Postpetition*" means the time period beginning immediately upon the filing of the Chapter 11 Cases and ending on the Effective Date.

108. "*Prepetition First Lien Agent*" means Delaware Trust, in its capacity as successor administrative agent under the Prepetition First Lien Loan Agreement and as successor collateral agent under the "Credit Documents" as defined in the Prepetition First Lien Loan Agreement, and its successors and assigns.

109. "*Prepetition First Lien Claim*" means any Claim arising under the Prepetition First Lien Loan Agreement and the documents ancillary thereto, which Claims shall be Allowed Claims under the Plan in the aggregate principal amount of $386,000,000, plus accrued and unpaid interest, fees, expenses and other obligations arising under the Prepetition First Lien Loan Agreement and the documents ancillary thereto.

110. "*Prepetition First Lien Creditor*" means the Prepetition First Lien Agent and Prepetition First Lien Lenders.

111. "*Prepetition First Lien Lender*" means a lender party to the Prepetition First Lien Loan Agreement.

112. "*Prepetition First Lien Loan Agreement*" means the First Lien Credit Agreement dated July 30, 2013 by and among the Debtors, the Prepetition First Lien Agent, and the other lenders from time to time party thereto (as amended, restated, amended and restated, waived, supplemented, or as otherwise modified from time to time), together with the "Credit Documents" as defined therein.

113. "*Prepetition First Lien Term Loans*" means the term loans issued pursuant to the Prepetition First Lien Loan Agreement.

114. "*Prepetition Revolver*" means that certain ABL Credit Agreement, dated as of July 30, 2013, as amended, restated, amended and restated, waived, supplemented, or as otherwise modified heretofore and, together with its related agreements, to have been paid in full through the DIP Facility.

115. "*Prepetition Revolver Agent*" means Deutsche Bank AG New York Branch as administrative agent and collateral agent under the Prepetition Revolver.

116. "*Prepetition Revolver Lender*" means a lender party to the ABL Credit Agreement.

117. "*Prepetition Second Lien Agent*" means Wilmington Trust, in its capacity as successor administrative agent under the Prepetition Second Lien Loan Agreement and as successor collateral agent under the "Credit Documents" as defined in the Prepetition Second Lien Loan Agreement, and its successors and assigns.

118. "*Prepetition Second Lien Claim*" means any Claim arising under or relating to Prepetition Second Lien Loan Agreement and all agreements and instruments relating to the foregoing, which Claims shall be Allowed Claims under the Plan in the aggregate principal amount of $85,000,000, plus accrued and unpaid interest, fees, expenses and other obligations arising under the Prepetition Second Lien Loan Agreement and the documents ancillary thereto.

119. "*Prepetition Second Lien Creditor*" means the Prepetition Second Lien Agent and Prepetition Second Lien Lenders.

120. "*Prepetition Second Lien Lender*" means a lender party to the Prepetition Second Lien Loan Agreement from time to time.

121. "*Prepetition Second Lien Loan Agreement*" means the Second Lien Credit Agreement dated July 30, 2013, by and among the Debtors, the Prepetition Second Lien Agent, and the other lenders from time to time party thereto (as amended, restated, amended and restated, waived, supplemented, or as otherwise modified from time to time), together with the "Credit Documents" as defined therein.

122. "*Prepetition Second Lien Term Loans*" means the term loans issued pursuant to the Prepetition Second Lien Loan Agreement.

123. "*Priority Tax Claim*" means any Claim of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

124. "*Pro Rata*" means, proportionately, so that the ratio of (i) (1) the amount of property to be waived, distributed or otherwise on account of such Claim to (2) the amount of such Claim, is the same as the ratio of (ii) (1) the amount of property to be waived, distributed or otherwise on account of all Claims of the Class, Classes or group sharing in such waiver, distribution or otherwise to (2) the amount of all Claims in such Class, Classes or group.

125. "*Professional*" means (a) any Entity employed in the Chapter 11 Cases pursuant to section 327, 363 or 1103 of the Bankruptcy Code or otherwise and (b) any Entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code; provided, however, that the term "Professional" shall not include any Entity retained pursuant to the Ordinary Course Professionals order or any of the Consenting Creditors' Professionals.

126. "*Professional Fee Claim*" means a Claim under sections 328, 330(a), 331, 363, 503 or 1103 of the Bankruptcy Code for Accrued Professional

Compensation. For the avoidance of doubt, the Restructuring Expenses do not constitute Professional Fee Claims.

127. "*Proof of Claim*" means a proof of Claim or Equity Interest Filed against any Debtor in the Chapter 11 Cases.

128. "*Reinstated" and "Reinstatement"* mean, with respect to any Claim, (a) in accordance with section 1124 (1) of the Bankruptcy Code, leaving unaltered the legal, equitable, and contractual rights to which a Claim entitles the Holder of such Claim or (b) in accordance with section 1124 (2) of the Bankruptcy Code, notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim to demand or receive accelerated payment of such Claim after the occurrence of a default: (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code or of a kind that section 365(b)(2) of the Bankruptcy Code expressly does not require to be cured; (ii) reinstating the maturity of such Claim as such maturity existed before such default; (iii) compensating the Holder of such Claim for any damages incurred as a result of any reasonable reliance by such Holder on such contractual provision or such applicable law; (iv) if such Claim arises from any failure to perform a non-monetary obligation, other than a default arising from failure to operate a non-residential real property lease subject to section 365(b)(1)(A) of the Bankruptcy Code, compensating the Holder of such Claim (other than any Debtor or an insider of any Debtor) for any actual pecuniary loss incurred by such Holder as a result of such failure; and (v) not otherwise altering the legal, equitable, or contractual rights to which such Claim entitles the Holder of such Claim; provided, however, that any contractual right that does not pertain to the payment when due of principal and interest on the obligation on which such Claim is based, including, but not limited to, financial covenant ratios, negative pledge covenants, covenants or restrictions on merger or consolidation, "going dark" provisions, and affirmative covenants regarding corporate existence prohibiting certain transactions or actions contemplated by this Plan, or conditioning such transactions or actions on certain factors, shall not be required to be cured or reinstated in order to accomplish Reinstatement.

129. "*Rejected Executory Contract/Unexpired Lease List*" means the list, if any (as may be amended), as determined by the Debtors, with the consent of the Required Consenting Creditors (which consent shall not be unreasonably withheld), identifying Executory Contracts and/or Unexpired Leases that will be rejected by the Reorganized Debtors pursuant to the Plan, and which shall be Filed with the Plan Supplement.

130. "*Rejection Claim Bar Date*" has the meaning set forth in ARTICLE VI.C herein.

131. "*Related Persons*" means, with respect to any Person, such Person's predecessors, successors, assigns, managed accounts or funds, and present and former Affiliates (whether by operation of law or otherwise) and subsidiaries, and each of their respective current and former officers, directors, principals, employees, shareholders, members (including *ex officio* members), partners, agents, managers, managing members, advisory board members, financial advisors, attorneys, accountants, investment bankers, investment advisors, consultants, representatives, management companies, fund advisors, and other professionals, and any Person claiming by or through any of them, in each case acting in such capacity as such relates to the Debtors or the Reorganized Debtors and not as it relates to any other matter.

132. "*Released Party*" means, in its capacity as such: (a) each Debtor; (b) each Reorganized Debtor; (c) the Prepetition First Lien Creditors; (d) the Prepetition Second Lien Creditors; (e) Equity Parent; (f) TowerBrook, (g) the Prepetition Revolver Agent; (h) each Prepetition Revolver Lender; (i) each other party to the Restructuring Support Agreement in all capacities; (j) the DIP Agent; (k) each DIP Lender; and (l) each Related Person of any of (a) through (k) of the foregoing; provided that, notwithstanding the foregoing, a person is not a "*Released Party*" if such Person is an Excluded Party.

133. "*Releasing Party*" means, in its capacity as such: (a) each Holder of a Claim that votes to accept this Plan; (b) each Holder of a Claim that is Unimpaired under this Plan; (c) each Holder of a Claim that is solicited to vote to accept or reject this Plan but that does not vote either to accept or reject the Plan; (d) each Holder of a Claim that votes to reject this Plan and does not elect on their ballot to opt out of granting the releases set forth in Article X.C ; (e) the Prepetition First Lien Creditors; (f) the Prepetition Second Lien Creditors; (g) Equity Parent; (h) TowerBrook; (i) the Prepetition Revolver Agent; (j) each Prepetition Revolver Lender; (k) the DIP Agent; (l) each DIP Lender; and (m) each Related Person of each of (a) through (l) of the foregoing.

134. "*Reorganized Debtors*" means (i) Reorganized Holdings and (ii) each other Debtor, as reorganized pursuant to this Plan on or after the Effective Date, and/or each Entity created under the Alternative Structures as a successor to a Debtor.

135. "*Reorganized First Lien Term Loans*" means new, collateralized term loans to be issued by Reorganized Holdings upon the Effective Date under the Reorganized First Lien Term Loan Facility.

136. "*Reorganized First Lien Term Loan Facility*" means that certain new, collateralized term loan facility in the aggregate initial principal amount of up to $114.5 million (less the amount of any Class 5 Swapped Debt) to be entered into by True Religion as borrower and Reorganized Holdings, Guru, TR Sales, and TRLGGC as guarantors, as provided in the Reorganized First Lien Term Loan Documents.

137. "*Reorganized First Lien Term Loan Documents*" means the credit agreement governing the Reorganized First Lien Term Loan Facility and the related notes, guarantees, security documents, and intercreditor agreement, as the case may be, as may be amended, restated, amended and restated, waived, supplemented or otherwise modified from time to time, which shall be Filed as an Exhibit with the Plan Supplement, and which shall be consistent with the term sheet attached hereto as **Exhibit 1** and consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

138. "*Reorganized Holdings*" means TRLG Intermediate Holdings, LLC, as reorganized pursuant to this Plan on or after the Effective Date.

139. "*Required Consenting Creditors*" means Consenting Creditors that, collectively, at the time an applicable action, consent, approval or waiver is solicited, legally and beneficially hold, or serve as investment advisors or managers, with investment and voting discretion with respect to at least 50.1% of the aggregate principal amount of the Prepetition First Lien Claims beneficially held by Consenting Creditors.

140. "*Restructuring*" means the financial restructuring of the Debtors, the principal terms of which are set forth in this Plan, the Disclosure Statement, the Plan Supplement, and the Restructuring Support Agreement.

141. "*Restructuring Expenses*" means the documented and reasonable fees and expenses incurred by the Consenting Creditors and Equity Parent in connection with the Restructuring, including, without limitation, the reasonable fees and expenses of the Equity Parent's Professionals and of the Consenting Creditors' Professionals, which shall be paid in full in Cash without any further need or requirement to file any Proof of Claim or application seeking approval and payment of such fees and expenses, provided that such amount for the Equity Parent and Equity Parent's Professionals incurred after the Petition Date shall not exceed $100,000.

142. "*Restructuring Support Agreement*" means that certain Restructuring Support Agreement, dated as of July 4, 2017, by and among the Debtors, the Consenting Creditors and Equity Parent (including, without limitation, any and all schedules, annexes, or exhibits thereto, as amended, restated, amended and restated, modified, waived, or supplemented from time to time in accordance with its terms, attached to the Disclosure Statement as Exhibit B.

143. "*Restructuring Transactions*" means one or more transactions pursuant to section 1123(a)(5)(D) of the Bankruptcy Code to occur on the Effective Date or as soon as reasonably practicable thereafter that may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Plan, including (a) the consummation of the transactions provided for under or contemplated by the Restructuring Support Agreement; (b) the execution and delivery of appropriate agreements or other documents containing terms that are consistent with or reasonably necessary to implement the terms of this Plan and the Restructuring Support Agreement and that satisfy the requirements of applicable law; (c) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any property, right, liability, duty, or obligation on terms consistent with the terms of the Plan , the Plan Documents and the Restructuring Support Agreement; and (d) all other actions that the Debtors, with the consent of the Required Consenting Creditors, or Reorganized Debtors, as applicable, determine are necessary or appropriate and consistent with the Plan, the Plan Documents and the Restructuring Support Agreement.

144. "*Schedule of Assumed Compensation and Benefit Programs*" means the schedule of all employment and severance policies, and all compensation and benefit plans, policies, and programs of the Debtors applicable to its employees, retirees, and non-employee directors and the employees and retirees of its subsidiaries, including, without limitation, all savings plans, retirement plans, healthcare plans, disability plans, severance benefit plans, incentive plans to be assumed by the Debtors, which schedule shall be in form and substance acceptable to the Required Consenting Creditors.

145. "*Schedules*" means the schedules of Assets and liabilities, statements of financial affairs, lists of Holders of Claims and Equity Interests and all amendments or supplements thereto, including any global notes, statement of limitations, methodology and disclaimers incorporated by reference therein, Filed by the Debtors with the Bankruptcy Court (as may be amended, modified or supplemented from time to time) to the extent such Filing is not waived pursuant to an order of the Bankruptcy Court.

146. "*SEC*" means the Securities and Exchange Commission, or any successor agency.

147. "*Secured Claim*" means a Claim that is secured by a Lien on property in which any Debtor's Estate has an interest or that is subject to a valid right of setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim

Holder's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or, in the case of setoff, pursuant to section 553 of the Bankruptcy Code.

148. "*Securities Act*" means the Securities Act of 1933, 15 U.S.C. §§ 77c-77aa, as now in effect or hereafter amended, and the rules and regulations promulgated thereunder, and any similar federal, state or local law.

149. "*Securities Exchange Act*" means the Securities Exchange Act of 1934, 15 U.S.C. § 78a et seq., as now in effect or hereafter amended, and the rules and regulations promulgated thereunder, and any similar federal, state or local law.

150. "*Security*" or "*security*" means any security as such term is defined in section 101(49) of the Bankruptcy Code.

151. "*Stamp or Similar Tax*" means any stamp tax, document recording tax, personal property tax, conveyance fee, intangibles or similar tax, mortgage tax, mortgage recording tax, real estate transfer tax, sales tax, use tax, Uniform Commercial Code filing or recording fee, transaction privilege tax (including, without limitation, such taxes on prime contracting and owner-builder sales), privilege taxes (including, without limitation, privilege taxes on construction contracting with regard to speculative builders and owner builders), regulatory filing or recording fee, and other similar taxes or other assessments imposed or assessed by any Governmental Unit.

152. "*Subsidiaries*" mean the Debtors other than TRLG Intermediate Holdings, LLC.

153. "*Subsidiary Structure Maintenance*" has the meaning as defined in ARTICLE V.P.

154. *"TI Holdings"* means TI III TRLG Holdings, LLC, a beneficial indirect owner of the Debtors.

155. "*TowerBrook*" means TowerBrook Investors III, L.P., TowerBrook Investors III (Parallel), L.P., TowerBrook Investors III Executive Fund, L.P., and TI Holdings, each of which is a beneficial owner of the Debtors, directly or indirectly.

156. "*Transfer*" means, with respect to any security or the right to receive a security or to participate in any offering of any security (and other than when used in an otherwise defined term), (i) the sale, transfer, pledge, hypothecation, encumbrance, assignment, constructive sale, participation in, or other disposition of such security or right or the beneficial ownership thereof, (ii) the offer to make such a sale, transfer, constructive sale, or other disposition, and (iii) each option, agreement, arrangement, or understanding, whether or not in writing and whether or not directly or indirectly, to effect any of the foregoing. The term "constructive sale" for purposes of this definition means (i) a short sale with respect to such security or right, (ii) entering into or acquiring an offsetting derivative contract with respect to such security or right, (iii) entering into or acquiring a futures or forward contract to deliver such security or right, or (iv) entering into any transaction that has substantially the same effect as any of the foregoing. The term "beneficially owned" or "beneficial ownership" as used in this definition shall include, with respect to any security or right, the beneficial ownership of such security or right by a Person and by any direct or indirect subsidiary of such Person.

157. "*True Religion*" means True Religion Apparel, Inc., a Debtor in the Chapter 11 Cases.

158. "*TRLGGC*" means TRLGGC Services, LLC, a Debtor in the Chapter 11 Cases.

159. "*TR Sales*" means True Religion Sales, LLC, a Debtor in the Chapter 11 Cases.

160. "*Unexpired Lease*" means a lease to which any Debtor is a party that is subject to assumption or rejection under section 365 of the Bankruptcy Code.

161. "*Unimpaired*" means, when used with reference to a Claim, subclass or Class, the circumstance where such Claim, subclass or Class is treated in a manner comporting with the requirements of Bankruptcy Code section 1124, providing, with certain exceptions, that the treatment has left unaltered the legal, equitable, and contractual rights to which a particular Claim (or all of the Claims in a Class) entitles the Holder of such Claim(s). In accordance with, by example, Bankruptcy Code sections 365 or 1123(a)(5)(G), unless expressly specified otherwise, such treatment includes the waiver or curing of defaults and the reinstatement of maturity of such Claim, without payment of penalties or other default-related amounts.

162. "*Voting Classes*" means Class 3, Class 5 and Class 6 under this Plan.

163. "*Warrant Agreement*" means one or more agreements setting forth the terms and conditions of the New Warrants, in each case, to be Filed as an Exhibit with the Plan Supplement, each of which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement.

ARTICLE II.
ADMINISTRATIVE EXPENSE CLAIMS, DIP FACILITY CLAIMS, AND PRIORITY TAX CLAIMS

A. Administrative Expense Claims

On the later of the Effective Date or the date on which an Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or, in each such case, as soon as practicable thereafter, each Holder of an Allowed Administrative Expense Claim, subject to the following ARTICLE II.B and ARTICLE II.C, will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Claim either (i) payment in full in Cash for the unpaid portion of such Allowed Administrative Expense Claim; or (ii) such other less favorable treatment as agreed to in writing by the Debtors or Reorganized Debtors, as applicable, and such Holder; provided, however, that Administrative Expense Claims incurred by the Debtors in the ordinary course of business may be paid in the ordinary course of business in the discretion of the Debtors or Reorganized Debtors in accordance with such applicable terms and conditions relating thereto without further notice to or order of the Bankruptcy Court; provided, further, however, that other than Holders of (i) DIP Facility Claims, (ii) Professional Fee Claims, (iii) Administrative Expense Claims Allowed by an order of the Bankruptcy Court on or before the Effective Date, or (iv) Administrative Claims that are not Disputed and arose in the ordinary course of business and were paid or are to be paid in accordance with the terms and conditions of the particular transaction giving rise to such Administrative Expense Claim, the Holder of any Administrative Expense Claim shall have filed a Proof of Claim by no later than the

Administrative Claims Bar Date. After the Effective Date, the Reorganized Debtors may settle an Administrative Expense Claim without further Bankruptcy Court approval. In the event that the Reorganized Debtors object to an Administrative Expense Claim and there is no settlement, the Bankruptcy Court shall determine the Allowed amount of such Administrative Expense Claim. All statutory fees payable under 28 U.S.C. § 1930(a) shall be paid as such fees become due.

B. Professional Fee Claims

Professionals or other Entities asserting a Professional Fee Claim for services rendered through the Effective Date must File, within sixty (60) days after the Effective Date, and serve on the Reorganized Debtors and such other Entities who are designated by the Bankruptcy Rules, the Confirmation Order or other order of the Bankruptcy Court an application for final allowance of such Professional Fee Claim; provided that the Reorganized Debtors will pay Professionals in the ordinary course of business, for any work performed after the Effective Date, including those reasonable and documented fees and expenses incurred by Professionals in connection with the implementation and consummation of the Plan, in each case without further application or notice to or order of the Bankruptcy Court in full, in Cash; provided, further, that any professional who may receive compensation or reimbursement of expenses pursuant to the Ordinary Course Professionals Order may continue to receive such compensation and reimbursement of expenses for services rendered before the Effective Date, without further Bankruptcy Court order, pursuant to the Ordinary Course Professionals Order.

Objections to any Professional Fee Claim must be Filed and served on the Reorganized Debtors and the requesting party by the later of (a) ninety (90) days after the Effective Date and (b) thirty (30) days after the Filing of the applicable request for payment of the Professional Fee Claim. Each Holder of an Allowed Professional Fee Claim will be paid by the Reorganized Debtors in Cash within five (5) Business Days of entry of the order approving such Allowed Professional Fee Claim.

Upon the Confirmation Date, except as otherwise set forth herein with respect to Professional Fee Claims, any requirement that Professionals comply with sections 327 through 331 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Reorganized Debtors shall employ and pay Professionals (including the reasonable and documented fees and expenses incurred by Professionals in preparing, reviewing and prosecuting or addressing any issues with respect to final fee applications) in the ordinary course of business. Professionals retained by the Committee may only be paid for services rendered after the Confirmation Date if such services are permitted pursuant to ARTICLE XIII.A of this Plan.

For the avoidance of doubt, the Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date shall be paid in full in Cash without the requirement to file retention or fee applications and without any requirement for notice to or action, order or approval of the Bankruptcy Court.

C. DIP Facility Claims

Unless otherwise agreed to by the DIP Lenders, on the Effective Date, in full satisfaction, settlement, discharge and release of, and in exchange for, such DIP Facility Claims, all DIP Facility Claims will be indefeasibly paid and satisfied in full in Cash with proceeds from the New ABL Facility or deemed outstanding under the New ABL Facility to the extent a DIP Lender is also a New ABL Facility Lender. Except as otherwise expressly provided in the DIP Facility, upon indefeasible payment and satisfaction in full of all DIP Facility Claims, the DIP

Facility Loan Documents and all related loan documents, and all Liens and security interests granted to secure the DIP Facility Claims, will be immediately terminated, extinguished and released, and the DIP Agent will promptly execute and deliver to the Reorganized Debtors such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtors to effectuate the foregoing. Notwithstanding the foregoing, the DIP Facility Loan Documents shall continue in effect solely for the purpose of preserving the DIP Agent's and the DIP Lenders' right to any contingent or indemnification obligations of the Debtors pursuant and subject to the terms of the DIP Facility Loan Documents or DIP Orders.

D. Priority Tax Claims

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement release and discharge of each Allowed Priority Tax Claim, on the later of (i) the Initial Distribution Date if such Priority Tax Claim is an Allowed Priority Tax Claim as of the Effective Date or (ii) the date on which such Priority Tax Claim becomes an Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Priority Tax Claim, at the election of the Debtors, with the consent of the Required Consenting Creditors, or Reorganized Debtors: (1) Cash in an amount equal to the amount of such Allowed Priority Tax Claim; (2) Cash in an amount agreed to by such Holder and the Debtors or Reorganized Debtors, as applicable, with the consent of the Required Consenting Creditors; provided, however, that such parties may further agree for the payment of such Allowed Priority Tax Claim at a later date; or (3) at the option of the Debtors, with the consent of the Required Consenting Creditors, Cash in an aggregate amount of such Allowed Priority Tax Claim payable in installment payments over a period not more than five years after the Petition Date, pursuant to section 1129(a)(9)(C) of the Bankruptcy Code. Payment of statutory fees due pursuant to 28 U.S.C. § 1930(a)(6) will be made at all appropriate times until the entry of a final decree; provided, however, that the Debtors, with the consent of the Required Consenting Creditors, or Reorganized Debtors, as applicable, may prepay any or all such Claims at any time, without premium or penalty.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLASSIFIED CLAIMS AND EQUITY INTERESTS

A. Summary

All Claims and Equity Interests, except Administrative Expense Claims (including DIP Facility Claims and Professional Fee Claims) and Priority Tax Claims, are classified in the Classes set forth below. In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims have not been classified.

The categories of Claims and Equity Interests listed below classify Claims and Equity Interests for all purposes including, without limitation, voting, confirmation and distribution pursuant to the Plan and pursuant to sections 1122 and 1123(a)(1) of the Bankruptcy Code. The Plan deems a Claim or Equity Interest to be classified in a particular Class only to the extent that the Claim or Equity Interest qualifies within the description of that Class and will be deemed classified in a different Class to the extent that any remainder of such Claim or Equity Interest qualifies within the description of such different Class. A Claim or Equity Interest is in a particular Class only to the extent that any such Claim or Equity Interest is Allowed in that Class and has not been paid, released or otherwise settled prior to the Effective Date. Additionally, for

voting purposes and to comply with Bankruptcy Code section 1122(a), each Allowed Miscellaneous Secured Claim shall be deemed to be in its own subclass.

Summary of Classification and Treatment of Classified Claims and Equity Interests

Class	Claim	Status	Voting Rights
1	Non-Tax Priority Claims	Unimpaired	Deemed to Accept
2	Miscellaneous Secured Claims	Unimpaired	Deemed to Accept
3	Prepetition First Lien Claims	Impaired	Entitled to Vote
4	Continuing Operations Claims	Unimpaired	Deemed to Accept
5	General Unsecured Claims	Impaired	Entitled to Vote
6	Equity Interests in Holdings	Impaired	Entitled to Vote
7	Intercompany Interests	Unimpaired	Deemed to Accept

B. Elimination of Vacant Classes

Any Class that, as of the commencement of the Confirmation Hearing, does not have at least one Holder of a Claim or Equity Interest that is Allowed, or Claims or Equity Interests temporarily allowed for voting purposes under Bankruptcy Rule 3018(a), in an amount greater than zero for voting purposes shall be considered vacant, deemed eliminated from this Plan for purposes of voting to accept or reject this Plan, and disregarded for purposes of determining whether this Plan satisfies section 1129(a)(8) of the Bankruptcy Code with respect to such Class.

C. Classification and Treatment of Claims and Equity Interests

1. Class 1 – Non-Tax Priority Claims

a. Classification: Class 1 consists of the Non-Tax Priority Claims.

b. Treatment: Each Holder of an Allowed Class 1 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 1 Claim:

(1) Cash equal to the amount of such Allowed Class 1 Claim on the later of, or, in each case, as soon as reasonably practicable thereafter, (x) the Initial Distribution Date if such Class 1 Claim is an Allowed Class 1 Claim on the Effective Date, (y) the date on which such Class 1 Claim becomes an Allowed Class 1 Claim or (z) the date due in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Class 1 Claim; or

(2) At the election of the Debtors, in consultation with the Required Consenting Creditors, such other less favorable treatment as to which the Holder of such Allowed Class 1 Claim and the Debtors or Reorganized Debtors, as applicable, agree in writing.

c. Impairment and Voting: Class 1 is Unimpaired, and the Holders of Class 1 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Class 1 Claims are not entitled to vote to accept or reject the Plan and may not receive Ballots.

2. Class 2 – Miscellaneous Secured Claims

a. Classification: Class 2 consists of the Miscellaneous Secured Claims.

b. Treatment: Each Holder of an Allowed Class 2 Claim will receive in full satisfaction, settlement, discharge and release of, and in exchange for, its Allowed Class 2 Claim:

(1) Cash equal to the amount of such Allowed Class 2 Claim on the later of, or, in each case, as soon as reasonably practicable thereafter, (i) the Initial Distribution Date if such Class 2 Claim is an Allowed Class 2 Claim on the Effective Date or (ii) the date on which such Class 2 Claim becomes an Allowed Class 2 Claim; or

(2) At the election of the Debtors, with the consent of the Required Consenting Creditors or Reorganized Debtors, as applicable, , either: (x) Reinstatement (with the Holder, as applicable, retaining the Liens securing its Allowed Miscellaneous Secured Claim as of the Effective Date until

full and final payment thereof); (y) return of the Collateral securing such Allowed Class 2 Claim by the Initial Distribution Date; or (z) such other less favorable treatment as to which the Holder of such Allowed Class 2 Claim and the Debtors or Reorganized Debtors, as applicable, will have agreed upon in writing.

c. Impairment and Voting: Class 2 is Unimpaired, and the Holders of such Class 2 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, such Holders of Class 2 Claims are not entitled to vote to accept or reject the Plan and may not receive Ballots.

3. Class 3 – Prepetition First Lien Claims

a. Classification: Class 3 consists of the Prepetition First Lien Claims.

b. Allowance: Notwithstanding any provisions of the Plan to the contrary the Prepetition First Lien Claims will be deemed Allowed Claims in the aggregate amount of $386,000,000, plus accrued and unpaid interest, fees and expenses.

c. Treatment: On the Effective Date each Holder of an Allowed Prepetition First Lien Claim will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed Prepetition First Lien Claim, its Pro Rata share of:

(1) Reorganized First Lien Term Loans in the aggregate principal amount of $110 million under the Reorganized First Lien Term Loan Facility; and

(2) (i) if each of Class 3, Class 5 and Class 6 vote to accept the Plan, the number of Exchange Common Shares equal to 90.0% of the maximum number of Exchange Common Shares distributable under the Plan (prior to taking into account any exercise of the Class 5 Equity Cash Out Option, if applicable). To the extent any Holder of an Allowed General Unsecured Claim exercises the Class 5 Equity Cash Out Option, the percentage of New Common Shares received by Holders of Allowed Class 3 and Class 6 Claims will automatically adjust on a Pro Rata basis to reflect such exercise without the need to issue any additional New Common Shares; or (ii) if either of Class 5 or Class 6 votes to reject the Plan, the number of Exchange Common Shares equal to 94.5% of the Exchange Common Shares.

d. Impairment and Voting: Class 3 is Impaired, and Holders of Class 3 Claims are entitled to vote to accept or reject the Plan and will receive Ballots.

4. Class 4 – Continuing Operations Claims

a. Classification: Class 4 consists of the Continuing Operations Claims.

b. Treatment: Each Holder of Allowed Continuing Operations Claims will receive in full satisfaction, settlement, discharge and release of, and partially in exchange for, its Allowed Continuing Operations Claim:

(1) Cash or such other consideration due under the applicable Allowed Class 4 Claim equal to the amount of such Allowed Class 4 Claim payable on the later of, or, in each case, as soon as reasonably practicable thereafter, (x) the Initial Distribution Date if such Class 4 Claim is an Allowed Class 4 Claim on the Effective Date, (y) the date on which such Class 4 Claim becomes an Allowed Class 4 Claim, or (z) the date such treatment is due in the ordinary course of business in accordance with the terms and conditions of the particular transaction giving rise to such Allowed Class 4 Claim;

(2) Reinstatement or such other treatment rendering such Claim Unimpaired; or

(3) Such other less favorable treatment as to which the Debtors, with the consent of the Required Consenting Creditors (which consent may be obtained by the Debtors by providing reasonable negative notice of their determinations or the principles they will apply in making them), or Reorganized Debtors and the Holder of such Allowed Class 4 Claim will have agreed upon in writing.

c. Impairment and Voting: Class 4 is Unimpaired, and the Holders of Class 4 Claims are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Thus, Holders of Class 4 Claims are not entitled to vote to accept or reject the Plan and will not receive Ballots.

5. **Class 5 – General Unsecured Claims**

a. Classification: Class 5 consists of the General Unsecured Claims.

b. Allowance of Prepetition Second Lien Claims. Notwithstanding any provisions of the Plan to the contrary the Prepetition Second Lien Claims will be deemed Allowed General Unsecured Claims in the aggregate amount $85,000,000, plus accrued and unpaid interest, fees and expenses.

c. Treatment: By the later of (x) fourteen (14) days after the Rejection Claim Bar Date and (y) the date from or after the Effective Date on which such General Unsecured Claim first is an Allowed General Unsecured Claim, or, in each case, as soon as reasonably practicable thereafter, each Holder of an Allowed General Unsecured Claim will receive, in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed General Unsecured Claim its Pro Rata share of the Class 5 Default Consideration, consisting of:

(1) Reorganized First Lien Term Loans in the aggregate principal amount of $2.5 million under the Reorganized First Lien Term Loan Facility;

(2) the number of Exchange Common Shares equal to 5.5% of the maximum number of Exchange Common Shares distributable under the Plan; and

(3) Class A Warrants.

d. ***Only if Class 5 votes to accept the Plan,*** by the later of (x) fourteen (14) days after the Rejection Claim Bar Date and (y) the date from or after the Effective Date on which such General Unsecured Claim first is an Allowed General Unsecured Claim, or, in each case, as soon as reasonably practicable thereafter, ***each Holder*** of an Allowed General Unsecured Claim, in full satisfaction, settlement, discharge and release of, and in exchange for, such Allowed General Unsecured Claims, ***also will receive the Class 5 Consensual Plan Consideration***, consisting of:

(1) its Pro Rata share of $1,000,000 in Cash;

(2) its Pro Rata share of additional Reorganized First Lien Term Loans in the aggregate principal amount of $2.0 million under the Reorganized First Lien Term Loan Facility; *provided, however*, if any Holder of an Allowed General Unsecured Claim is a Class 5 Electing Holder, such Holder will receive the Class 5 Warrants for Debt Treatment with respect to its Class 5 Swapped Debt; and

(3) the Class 5 Equity Cash Out Option.

e. Impairment and Voting: Class 5 is Impaired, and Holders of General Unsecured Claims are entitled to vote to accept or reject the Plan and will receive Ballots.

6. Class 6 – Equity Interests in Holdings

a. Classification: Class 6 consists of the Equity Interests in Holdings.

b. Treatment: On the Effective Date, and solely to the extent that each of Class 3, Class 5 and Class 6 vote to accept the Plan, each Holder of an Equity Interest in Holdings will receive, in full satisfaction,

settlement, discharge and release of, and in exchange for, such Equity Interest in Holdings, its Pro Rata share of:

(1) The number of Exchange Common Shares equal to 4.5% of the maximum number of Exchange Common Shares distributable under the Plan (prior to taking into account any exercise of the Class 5 Equity Cash Out Option, if applicable). To the extent any Holder of an Allowed General Unsecured Claim exercises the Class 5 Equity Cash Out Option, the percentage of New Common Shares received by Holders of Allowed Class 3 and Class 6 Claims will automatically adjust on a Pro Rata basis to reflect such exercise without the need to issue any additional New Common Shares;

(2) Class B Warrants; and

(3) Class C Warrants.

If any of Class 3, Class 5 or Class 6 votes to reject the Plan, Holders of Equity Interests in Holdings shall receive no recovery, and (x) the above-referenced 4.5% of the Exchange Common Shares shall be distributed Pro Rata to the Holders of Class 3 Prepetition First Lien Claims, as set forth in ARTICLE III.C.3 hereof and (y) the Class B Warrants and Class C Warrants shall not be issued.

c. Impairment and Voting: Class 6 is Impaired, and Holders of Equity Interests in Holdings are entitled to vote to accept or reject the Plan and will receive Ballots.

7. Class 7 – Intercompany Interests

a. Classification: Class 7 consists of the Intercompany Interests.

b. Treatment: Each Allowed Intercompany Interest shall be Reinstated for purposes of the Subsidiary Structure Maintenance.

c. Impairment and Voting: Class 7 is Unimpaired, and Holders of Intercompany Interests are conclusively deemed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Thus, the Holders of the Intercompany Interests are not entitled to vote to accept or reject the Plan and will not receive Ballots.

D. Special Provision Governing Claims Related to Assumed Executory Contracts or Unexpired Leases and Unimpaired Claims

Obligations with respect to assumed Executory Contracts and Unexpired Leases are separately addressed in ARTICLE VI. Except as otherwise provided in the Plan, nothing under the Plan will affect the Debtors' rights in respect of any Unimpaired Claims, cure obligations as to any arrears or defaults that may exist with respect to contracts to be assumed under the Plan, or the performance of assumed obligations under such Executory Contracts or Unexpired Leases,

including, without limitation, all rights in respect of legal and equitable defenses thereto, or setoffs or recoupments there against.

ARTICLE IV.
ACCEPTANCE OR REJECTION OF THE PLAN

A. Presumed Acceptance of Plan

Class 1, Class 2, Class 4 and Class 7 are Unimpaired under the Plan, and, therefore, are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the Holders of Claims in Class 1, Class 2, Class 4, and Class 7 are not entitled to vote to accept or reject the Plan and will not receive Ballots.

B. Voting Classes

Each Holder of an Allowed Claim or Allowed Equity Interest in Holdings as of the applicable voting record date in the Voting Classes (Class 3, Class 5 and Class 6) will be entitled to vote to accept or reject the Plan and will receive ballots containing detailed voting instructions.

C. Acceptance by Impaired Classes of Claims and Equity Interests

Except as otherwise provided in section 1126(e) of the Bankruptcy Code, (i) pursuant to section 1126(c) of the Bankruptcy Code, an Impaired Class of Claims has accepted the Plan if (x) the Holders of at least two-thirds (2/3) in amount of the Allowed Claims actually voting in such Class have voted to accept this Plan and (y) the Holders of more than one-half (1/2) in number of the Allowed Claims actually voting in such Class have voted to accept this Plan and (ii) pursuant to section 1126(d) of the Bankruptcy Code, an Impaired Class of Equity Interests has accepted the Plan if Holders of at least two-thirds (2/3) in amount of the Allowed Equity Interests actually voting in such Class have voted to accept the Plan.

D. Cramdown; Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

If any Class of Claims or Equity Interests is deemed to reject this Plan or is entitled to vote on this Plan and does not vote to accept this Plan, the Debtors may, subject to any consent that may be required herein or under the Restructuring Support Agreement, (i) seek confirmation of this Plan under section 1129(b) of the Bankruptcy Code or (ii) amend or modify this Plan, or any Exhibit, Plan Schedule or Plan Document, in accordance with the terms hereof and the Bankruptcy Code, in order to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary. If a controversy arises as to whether any Claims or Equity Interests, or any class of Claims or Equity Interests, are Impaired, the Bankruptcy Court shall, after notice and a hearing, determine such controversy on or before the Confirmation Date.

E. Continuing Susceptibility to Claim Objection; Solicitation in Good Faith

The Debtors have, and upon the Effective Date the Reorganized Debtors shall be deemed to have, solicited votes on the Plan from the Voting Classes in good faith and in compliance with the applicable provisions of the Bankruptcy Code. Accordingly, the Debtors and the Reorganized Debtors and each of their respective Related Persons shall be entitled to, and upon the Confirmation Date are hereby granted, the protections of section 1125(e) of the Bankruptcy Code.

Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date, no Claim or Equity Interest will become an Allowed Claim or Allowed Equity Interest unless and until such Claim or Equity Interest is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a Final Order in the Chapter 11 Cases allowing such Claim or Equity Interest. Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of the Plan, the Reorganized Debtors will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtors had with respect to any Claim, except with respect to any Claim Allowed by order of the Bankruptcy Court.

ARTICLE V.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. General Settlement of Claims

Pursuant to section 1123 of the Bankruptcy Code and Bankruptcy Rule 9019, and in consideration for the classification, distributions, releases and other benefits provided under the Plan, upon the Effective Date, the provisions of the Plan will constitute a good faith and integrated compromise and global settlement of all Claims and Equity Interests and controversies resolved pursuant to the Plan.

B. Corporate Existence

The Debtors all will continue to exist after the Effective Date as separate legal entities, with all of the powers of corporations, limited liability companies, memberships and partnerships pursuant to the applicable law in their states of incorporation or organization subject to the terms of, and except as otherwise provided in or by, the Plan and the Alternative Structures. The respective limited liability company agreements, articles or certificate of incorporation and by-laws (or other applicable formation documents) in effect prior to the Effective Date for each Debtor shall continue to be in effect after the Effective Date, except (i) with respect to Reorganized Holdings, as to which there shall be amended and restated limited liability company agreement or other applicable organizational documents as set forth in the Amended Organization Documents Filed as an Exhibit with the Plan Supplement without prejudice to any right to terminate such existence (whether by merger or otherwise) under applicable law after the Effective Date and (ii) as any other Debtor's limited liability company agreements, articles or certificate of incorporation or by-laws (or other formation documents) may be amended or amended and restated pursuant to this Plan without any further notice to or action, order, or approval of the Bankruptcy Court or any other court of competent jurisdiction (other than the requisite filings required under applicable state, provincial, or federal law).

On or after the Confirmation Date or as soon thereafter as is reasonably practicable, the Debtors or Reorganized Debtors, as applicable, may undertake the Restructuring Transactions and, to the extent determined necessary or appropriate by the Debtors, with the consent of the Required Consenting Creditors, or the Reorganized Debtors, as applicable or their successors, may take all other actions to effect any transaction described in, approved by, or necessary or appropriate to effectuate this Plan and that is consistent with the Restructuring Support Agreement, including, without limitation: (i) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution, name change, Chapter 11 Case closing, plans of reorganization, transfer or extinguishment of Intercompany Interests among the Reorganized Debtors or other successors to, or Affiliates of, the Debtors, or liquidation, containing terms that are consistent with the terms of this Plan and the Plan Documents and that satisfy the requirements of applicable law and any other terms to which the applicable entities may agree (the "*Alternative Structures*"); (ii) the

execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any Asset, property, right, liability, debt, or obligation on terms consistent with the terms of this Plan and having other terms to which the applicable parties agree; (iii) the filing of appropriate certificates or articles of formation or incorporation and amendments thereto, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable law; (iv) the Restructuring Transactions; and (v) all other actions that the applicable entities determine to be necessary or appropriate, including, without limitation, making filings or recordings that may be required by applicable law in connection with such transactions.

C. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan or the Confirmation Order, on or after the Effective Date, all property and Assets of the Estates (including, without limitation, Causes of Action, Litigation Claims, and, unless otherwise waived or released pursuant to an order of the Bankruptcy Court or the Plan, Avoidance Actions) and any property and Assets acquired by the Debtors pursuant to the Plan will vest in the Reorganized Debtors or their successor, including under the Alternative Structures, free and clear of all Liens, Claims, charges or other encumbrances. Except as may be otherwise provided in the Plan, on and after the Effective Date, the Reorganized Debtors or their successors may operate their businesses and may use, acquire or dispose of property and compromise or settle any Claims without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules, other than those restrictions expressly imposed by the Plan and the Confirmation Order. Without limiting the foregoing, the Reorganized Debtors will pay the charges that they incur after the Effective Date for reasonable and documented Professionals' fees, disbursements, expenses or related support services (including reasonable and documented fees relating to the preparation of Professional fee applications) in the ordinary course of business and without application or notice to, or order of, the Bankruptcy Court.

D. New ABL Facility

The Debtors shall enter into the New ABL Facility on or before the Effective Date. The DIP Facility Loan Documents may be amended, amended and restated, replaced or otherwise modified to become the New ABL Facility consistent with, and subject to the approvals and consents as to form and substance set forth in the Restructuring Support Agreement. The Confirmation Order shall be deemed approval of the New ABL Facility and the New ABL Facility Documents, as applicable, and all transactions contemplated thereby, and all actions to be taken, undertakings to be made, and obligations to be incurred by the Reorganized Debtors in connection therewith, including the payment of all reasonable and documented fees, indemnities, and expenses provided for therein, and authorization of the Reorganized Debtors to enter into and execute the New ABL Facility Documents and such other documents as may be required to effectuate the treatment afforded by the New ABL Facility. On the Effective Date, all of the Liens and security interests to be granted in accordance with the New ABL Facility Documents (a) shall be deemed to be granted, (b) shall be legal, binding, and enforceable Liens on, and security interests in, the collateral granted thereunder in accordance with the terms of the New ABL Facility Documents, (c) shall be deemed perfected on the Effective Date, subject only to such Liens and security interests as may be permitted under the New ABL Facility Documents and the Reorganized First Lien Term Loan Documents, and (d) shall not be subject to recharacterization or equitable subordination for any purposes whatsoever and shall not constitute preferential transfers or fraudulent conveyances under the Bankruptcy Code or any applicable non-bankruptcy law.

The New ABL Facility shall provide, as of the Effective Date, sufficient funding or deemed funding, together with the Debtors' Cash on hand, to satisfy any DIP Facility Claims and obligations to pay Cash on the Effective Date of the Plan in full.

E. Reorganized First Lien Term Loan Facility

As provided in the Plan's treatment of certain Allowed Claims, on the Effective Date, Reorganized Holdings shall issue to certain Holders of Allowed Claims in partial exchange for their Allowed Claims, the Reorganized First Lien Term Loans under the Reorganized First Lien Term Loan Facility. The Reorganized First Lien Term Loan Facility shall be governed by the Reorganized First Lien Term Loan Documents, which shall be consistent with, and subject to the approvals and consents as to form and substance set forth in the Restructuring Support Agreement. The obligations of the Reorganized Debtors under the Reorganized First Lien Term Loan Facility shall be secured by substantially all of their assets, whether now existing or hereinafter acquired, subject to certain exceptions. Such security interests and Liens shall be perfected and have a first priority, other than as to certain of the collateral for the New ABL Facility, as to which the security interests and Liens shall have a second priority.

F. Authorized Financing

On the Effective Date, the applicable Reorganized Debtors shall be and are authorized to execute and deliver the New ABL Facility Documents, the Reorganized First Lien Term Loan Documents and any related loan documents, and shall be and are authorized to execute, deliver, file, record and issue any other notes, guarantees, deeds of trust, security agreements, documents (including UCC financing statements), amendments to the foregoing, or agreements in connection therewith, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity, subject to any lien limitations set forth herein.

Except as otherwise provided in the Plan or the Confirmation Order, all Cash necessary for the Reorganized Debtors to make payments required pursuant to the Plan will be obtained from the New ABL Facility and the Reorganized Debtors' Cash balances, including Cash from operations. Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtors.

G. Management Incentive Plan

On the Effective Date, 10% of the New Common Shares on a fully diluted basis shall be reserved for issuance as grants of stock, warrants, options, or other Equity Securities in connection with the Reorganized Debtors' Management Incentive Plan (such reserve, the "MIP Pool"), and issuances of the New Common Shares in respect thereof will dilute the Exchange Common Shares issued on the Effective Date. The remaining terms of the Management Incentive Plan shall be determined by the New Board.

H. Issuance of Reorganized First Lien Term Loans, New Common Shares, New Warrants and Related Documentation

From and after the Effective Date, Reorganized Holdings will be authorized to and will issue the Reorganized First Lien Term Loans, New Common Shares and New Warrants to the Holders of Claims and Equity Interests, as applicable, as set forth in this Plan without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity. On the Effective Date one-hundred percent (100%) of the Exchange Common Shares are to be distributed (or issuable under

the Amended Organizational Documents), as provided in the Plan, to Holders of Allowed Prepetition First Lien Claims and, if applicable, to Holders of Allowed General Unsecured Claims, to Holders of Allowed Equity Interests in Holdings, and on account of the Class 5 Reserve. The issuance of New Common Shares by Reorganized Holdings is authorized without the need for any further corporate action or without any further action by the Debtors or the Reorganized Debtors, as applicable. All of the shares of New Common Shares issued pursuant to the Plan shall be duly authorized and validly issued.

On the Effective Date, Reorganized Holdings and all the Holders of the Exchange Common Shares and New Warrants shall be deemed to be parties to the Amended Organizational Documents, substantially in the form contained in the Plan Supplement, without the need for execution by any such Holder. The Amended Organizational Documents shall be binding on Reorganized Holdings and all parties receiving, and all holders of, New Common Shares and New Warrants; provided, that regardless of whether such parties execute the Amended Organizational Documents, such parties will be deemed to have signed the Amended Organizational Documents which shall be binding on such parties as if they had actually signed it.

As of the Petition Date, no class of Equity Securities of Holdings was registered under the Securities Exchange Act, and Holdings was not subject to any of the periodic reporting obligations of such Act. Except as otherwise provided under the Amended Organizational Documents, in each case consistent with the Restructuring Support Agreement, or unless otherwise determined by the New Board in accordance with applicable non-bankruptcy law, it is not intended that, from or after the Effective Date, Reorganized Holdings will have any class of its Equity Securities registered under or become subject to any of the periodic reporting obligations of such Act.

To the extent that any such instruments constitute "securities" under applicable securities laws, the offer and sale of Reorganized First Lien Term Loans, Exchange Common Shares, and New Warrants pursuant to the Plan, including any shares of New Common Shares issuable after the Effective Date thereof upon exercise of the New Warrants, shall be effected without registration under Section 5 of the Securities Act, and without registration under any applicable state securities or "blue sky" law, in reliance upon the exemption from such registration requirements afforded by section 1145 of the Bankruptcy Code.

The offer and sale of Equity Securities to officers and other key employees of the Reorganized Debtors pursuant to the Management Incentive Plan shall be effected without registration under Section 5 of the Securities Act, and without registration under any applicable state securities or "blue sky" law, in reliance upon available exemptions from such registration requirements afforded by section 4(a)(2) of the Securities Act and Rule 506 of Regulation D and/or Rule 701 promulgated thereunder.

The New Common Shares of Reorganized Holdings shall constitute a single class of Equity Security in Reorganized Holdings and, other than as contemplated through the New Warrants or under the Management Incentive Plan, there shall exist no other Equity Securities, warrants, options, or other agreements to acquire any equity interest in Reorganized Holdings. From and after the Effective Date, after giving effect to the transactions contemplated hereby, the authorized capital stock or other equity securities of Reorganized Holdings will be that number of shares of New Common Shares as may be designated in the Amended Organizational Documents.

I. Substantive Consolidation for Plan Purposes

The Plan serves as a motion by the Debtors seeking entry, pursuant to section 105 of the Bankruptcy Code, of an order authorizing, on the Effective Date, the substantive consolidation of the Estates of all of the Debtors for purposes of classifying and treating all Claims under the Plan, including for voting, confirmation, and distribution purposes only. Substantive consolidation will not (i) alter the state of incorporation of any Debtor for purposes of determining applicable law of any of the Causes of Action, Litigation Claim or Avoidance Action (ii) alter or impair the legal and equitable rights of the Debtors to enforce any of the Causes of Action, Litigation Claims or Avoidance Actions or (iii) otherwise impair, release, discharge, extinguish or affect any of the Causes of Action, Litigation Claims or Avoidance Actions, or issues raised as a part of any thereof.

If substantive consolidation is ordered, then on and after the Effective Date, all Assets and liabilities of the Debtors shall be treated as though they were merged into a single estate solely for purposes of treatment of and distributions on Claims. All duplicative Claims (identical in both amount and subject matter) Filed against more than one of the Debtors shall automatically be expunged so that only one Claim survives against the consolidated Debtors. All guarantees by any Debtor of the obligations of any other Debtor shall be eliminated so that any Claim and any guarantee thereof by any other Debtor, as well as any joint and/or several liability of any Debtor with respect to any other Debtor, shall be treated as one collective obligation of the Debtors. Any alleged defaults under any applicable agreement with the Debtors arising from substantive consolidation under this Plan shall be deemed cured as of the Effective Date.

J. Release of Liens, Claims and Equity Interests

Except as otherwise provided in the Plan or in any contract, instrument, release or other agreement or document entered into or delivered in connection with the Plan, on the Effective Date and concurrently with the applicable distributions made pursuant to the Plan, all Liens, Claims, Equity Interests, mortgages, deeds of trust, or other security interests against the property of the Estates will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity. Any Entity holding such Liens or Equity Interests will, pursuant to section 1142 of the Bankruptcy Code, promptly execute and deliver to the Reorganized Debtors such instruments of termination, release, satisfaction and/or assignment (in recordable form) as may be reasonably requested by the Reorganized Debtors.

K. Amended Organizational Documents

The Amended Organizational Documents shall amend, amend and restate or succeed the limited liability company agreements, certificates or articles of incorporation, by-laws and other organizational documents of Holdings to satisfy the provisions of the Plan and the Bankruptcy Code, and will (i) include, among other things, pursuant to section 1123(a)(6) of the Bankruptcy Code, a provision prohibiting the issuance of non-voting equity securities, but only to the extent required by section 1123(a)(6) of the Bankruptcy Code; (ii) authorize the issuance of New Common Shares in an amount not less than the amount necessary to permit the distributions thereof required or contemplated by the Plan; (iii) to the extent necessary or appropriate as determined by the Required Consenting Creditors, include restrictions on the Transfer of New Common Shares; (iv) to the extent necessary or appropriate, include such provisions as may be needed to effectuate and consummate the Plan and the transactions contemplated herein; and (v) be in form and substance acceptable to the Required Consenting Creditors in their sole discretion. After the Effective Date, the Reorganized Debtors may amend and restate their

limited liability company agreements, certificates or articles of incorporation and by-laws, and other applicable organizational documents, as permitted by applicable law and their respective charters, by-laws and other organizational documents.

L. Directors and Officers of Reorganized Holdings

The New Board will be comprised initially of seven directors, who will consist of: (i) the Chief Executive Officer of Reorganized Holdings, (ii) a director selected by TI Holdings (with an initial term of one year, after which the members of the New Board will be appointed as provided in the Amended Organizational Documents), and (iii) five directors selected by the Consenting Creditors, in consultation with the Chief Executive Officer. Any directors designated pursuant to this section will be subject to approval of the Bankruptcy Court pursuant to section 1129(a)(5) of the Bankruptcy Code.

In addition, TI Holdings, and each Person or Entity that holds more than 5% of the New Common Shares on a fully diluted basis as of the time of a meeting of the New Board as of the time of distribution of materials to the New Board in connection with such a meeting, as applicable, shall have the right to be represented by one non-voting observer at each such meeting of the New Board and receive all materials distributed to the New Board, subject to customary exceptions; provided that for this purpose, New Board meetings shall not include committee meetings.

As of the Effective Date, the initial officers of the Reorganized Debtors will be the officers of the Debtors existing immediately prior to the Effective Date. Except as set forth in the Plan, any other directors or officers of the Debtors shall be deemed removed as of the Effective Date.

Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will disclose, in a Plan Supplement or on the record at the Confirmation Hearing, the identity and affiliations of any Person proposed to serve on the initial board of directors or as an officer of the Reorganized Debtors, and, to the extent such Person is an insider other than by virtue of being a director or officer, the nature of any compensation for such Person. Each such director and each officer will serve from and after the Effective Date pursuant to applicable law and the terms of the Amended Organizational Documents and the other constituent and organizational documents of the Reorganized Debtors. The existing board of directors of Holdings will be deemed to have resigned on and as of the Effective Date, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or the vote, consent, authorization or approval of any Entity.

M. Corporate Action

Each of the Debtors and the Reorganized Debtors, as applicable, may take any and all actions to execute, deliver, File or record such contracts, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and implement the provisions of the Plan or to effectuate the Alternative Structures, including, without limitation, the distribution of the securities to be issued pursuant hereto in the name of and on behalf of the Reorganized Debtors, and, in each case, except as expressly required pursuant to the Plan or the Restructuring Support Agreement, without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers or directors of the Debtors or the Reorganized Debtors, as applicable, or by any other Person.

Other actions necessary to effect the Alternative Structures may include: (i) the execution and delivery of appropriate agreements or other documents of merger, amalgamation, consolidation, restructuring, conversion, disposition, transfer, arrangement, continuance, dissolution, sale, purchase or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable Debtors or Reorganized Debtors may agree; (ii) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms to which the applicable parties agree; (iii) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, amalgamation, arrangement, continuance or dissolution pursuant to applicable state or provincial law; and (iv) all other actions that the applicable Debtors or Reorganized Debtors determine to be necessary or appropriate, including making filings or recordings that may be required by applicable law in connection with the Alternative Structures. If and to the extent necessary, any controlling organization or formation documents or agreements for the Reorganized Debtors shall be deemed amended to authorize the foregoing.

Prior to, on or after the Effective Date (as appropriate), all matters provided for pursuant to the Plan that would otherwise require approval of the stockholders, directors, managers or members of any Debtor (as of prior to the Effective Date) will be deemed to have been so approved and will be in effect prior to, on or after the Effective Date (as appropriate) pursuant to applicable law and without any requirement of further action by the stockholders, directors, managers or members of such Debtors, or the need for any approvals, authorizations, actions or consents of any Person (except as expressly required pursuant to the Restructuring Support Agreement).

All matters provided for in the Plan involving the legal or corporate structure of any Debtor or any Reorganized Debtor, as applicable, and any legal or corporate action required by any Debtor or any Reorganized Debtor as applicable, in connection with the Plan, will be deemed to have occurred and will be in full force and effect in all respects, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by the security holders, officers or directors of any Debtor or any Reorganized Debtor, as applicable, or by any other Person (except as expressly required pursuant to the Restructuring Support Agreement). On the Effective Date, the appropriate officers of each Debtor and each Reorganized Debtor, as applicable, are authorized to issue, execute, deliver, and consummate the transactions contemplated by, the contracts, agreements, documents, guarantees, pledges, consents, securities, certificates, resolutions and instruments contemplated by or described in the Plan in the name of and on behalf of the Debtor and each Reorganized Debtor, as applicable, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person (except as expressly required pursuant to the Restructuring Support Agreement). The secretary and any assistant secretary or managing member of each Debtor and each Reorganized Debtor, as applicable, will be authorized to certify or attest to any of the foregoing actions.

N. Cancellation of Notes, Certificates and Instruments

Except for the purpose of evidencing a right to a distribution under this Plan and except as otherwise set forth in this Plan, on the Effective Date, all agreements, instruments, Securities and other documents evidencing any prepetition Claim or Equity Interest in Holdings and any rights of any Holder in respect thereof shall be deemed cancelled, discharged, and of no force or effect, including any relating to the Equity Interests in Holdings. The holders of or parties to

such cancelled instruments, Securities, and other documentation will have no rights arising from or related to such instruments, Securities, or other documentation or the cancellation thereof, except the rights provided for pursuant to this Plan and the obligations of the Debtors thereunder or in any way related thereto will be fully released, terminated, extinguished and discharged, in each case without further notice to or order of the Bankruptcy Court, act or action under applicable law, regulation, order, or rule or any requirement of further action, vote or other approval or authorization by any Person. Notwithstanding such cancellation and discharge, each of the Prepetition First Lien Loan Agreement and the Prepetition Second Lien Loan Agreement shall continue in effect to the extent necessary to: (1) allow Holders of Claims and Equity Interests to receive Plan Distributions; (2) allow the Reorganized Debtors to make distributions pursuant to the Plan; (3) allow the Prepetition First Lien Agent and Prepetition Second Lien Agent to receive distributions under the Plan on account of the Prepetition First Lien Claims and Prepetition Second Lien Claims, respectively, for further distribution in accordance with the Prepetition First Lien Loan Agreement and Prepetition Second Lien Loan Agreement, respectively; (4) allow the Prepetition First Lien Agent and the Prepetition Second Lien Agent to seek compensation and/or reimbursement of fees and expenses in accordance with the Plan; and (5) preserve any rights of the Prepetition First Lien Agent and the Prepetition Second Lien Agent to payment of fees, expenses, and indemnification obligations as against any parties other than the Debtors or the Reorganized Debtors, and any money or property distributable to the beneficial holders under the relevant instrument, including any rights to priority of payment or to exercise charging liens. Except as provided pursuant to this Plan, each of the Prepetition First Lien Agent and the Prepetition Second Lien Agent, and their respective agents, successors, and assigns shall be discharged of all of their obligations associated with the Prepetition First Lien Loan Agreement and the Prepetition Second Lien Loan Agreement, respectively. The commitments and obligations (if any) of the Prepetition First Lien Lenders and Prepetition Second Lien Lenders to extend any further or future credit or financial accommodations to any of the Debtors, any of their respective subsidiaries or any of their respective successors or assigns under the Prepetition First Lien Loan Agreement and Prepetition Second Lien Loan Agreement, respectively, shall fully terminate and be of no further force or effect on the Effective Date.

O. Cancellation of Existing Instruments Governing Security Interests

Upon the full payment or other satisfaction of an Allowed Miscellaneous Secured Claim, or promptly thereafter, the Holder of such Allowed Miscellaneous Secured Claim shall deliver to the Debtors or Reorganized Debtors, as applicable, any Collateral or other property of a Debtor held by such Holder, together with any termination statements, instruments of satisfaction, or releases of all security interests with respect to its Allowed Miscellaneous Secured Claim that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory Liens, or lis pendens, or similar interests or documents.

On the Effective Date, any Lien in Collateral of any Debtor or Reorganized Debtor, as applicable, held for the DIP Facility Claims, the Prepetition First Lien Claims and the Prepetition Second Lien Claims shall be cancelled and of no further force or effect. Notwithstanding any other provision hereof, as a condition of any distribution for the benefit of Holders of DIP Facility Claims, Prepetition First Lien Claims and Prepetition Second Lien Claims, the respective collateral agents therefore shall deliver to the Debtors or Reorganized Debtors, as applicable, any Collateral or other property of a Debtor or Reorganized Debtor, as applicable, held for DIP Facility Claims, Prepetition First Lien Claims and Prepetition Second Lien Claims, together with any termination statements, instruments of satisfaction, or releases of all Liens that may be reasonably required to terminate any related financing statements, mortgages, mechanics' or other statutory Liens, or lis pendens, or similar interests or documents.

P. Intercompany Claims; Intercompany Interests; Corporate Reorganization

On the Effective Date, or as soon thereafter as is practicable, without the need for any further corporate action or approval of any board of directors, management, or shareholders of any Debtor or Reorganized Debtor, as applicable, and notwithstanding the provisions of the Plan in ARTICLE II and ARTICLE III (a) the certificates and all other documents representing the Intercompany Interests shall be deemed to be in full force and effect (and shall be retained by the Holders thereof prior to the Effective Date), and (b) all Intercompany Claims and Intercompany Interests will be reinstated in full or in part (collectively, the "*Subsidiary Structure Maintenance*") except, to the extent that the Debtors, Reorganized Debtors, their Affiliates or their successors, as applicable, as they determine necessary or appropriate with the consent of the Required Consenting Creditors, may effectuate Alternative Structures, which may include, without limitation, merger or dissolution of certain Debtors or Reorganized Debtors and the cancellation of certain Intercompany Interests, the transfer of Intercompany Interests among Reorganized Debtors, their successors or their Affiliates, or cancellation or discharge in full or in part of, or contribution, distribution or other transfer between and among the Debtors or their Affiliates in full or in part of Intercompany Claims.

Q. Restructuring Transactions

On or after the Confirmation Date, the Debtors or Reorganized Debtors, as applicable, may undertake the Restructuring Transactions and take all other actions consistent with this Plan as may be necessary or appropriate to effect any transaction described in, approved by, contemplated by, or necessary to effectuate the Restructuring Transactions under and in connection with this Plan, including effectuation of the Alternative Structures.

In each case in which the surviving, resulting, or acquiring Entity in any such transaction is a successor to a Debtor, such surviving, resulting, or acquiring Entity shall perform the obligations of such Debtor pursuant to the Plan to satisfy the Allowed Claims against, or Allowed Interests in, such Debtor, except as provided in any contract, instrument, or other agreement or document effecting a disposition to such surviving, resulting, or acquiring Entity, which may provide that another Debtor shall perform such obligations.

R. Restructuring Expenses

On the Effective Date, to the extent not previously paid pursuant to the DIP Orders, the Debtors or the Reorganized Debtors, as applicable, shall pay in full in Cash all outstanding Restructuring Expenses incurred, or estimated to be incurred, through the Effective Date, in accordance with the terms of the applicable orders (including the DIP Orders), engagement letters, or other applicable contractual arrangements, but without regard to any notice or objection period as may be contained in such applicable orders, engagement letters, or other applicable contractual arrangements, subject to adjustment, if necessary, for the actual Restructuring Expenses incurred.

S. Agent Fee Claims

On the Effective Date, to the extent not paid pursuant to the DIP Orders, the Debtors or Reorganized Debtors, as the case may be, shall pay in Cash, without the need for the filing of any fee or retention applications in the Chapter 11 Cases, the reasonable and documented fees and expenses (including fees of counsel) of the Prepetition First Lien Agent and the Prepetition Second Lien Agent.

ARTICLE VI.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, all Executory Contracts and Unexpired Leases of the Debtors will be deemed assumed by the applicable Reorganized Debtor in accordance with, and subject to, the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code, except for those Executory Contracts (including, without limitation, employment agreements) and Unexpired Leases that:

- have previously expired or terminated pursuant to their own terms or by agreement of the parties thereto;
- have been rejected by order of the Bankruptcy Court;
- are the subject of a motion to reject pending on the Effective Date;
- are identified in the Rejected Executory Contract/Unexpired Lease List; or
- are rejected pursuant to the terms of the Plan.

Without amending or altering any prior order of the Bankruptcy Court approving the assumption or rejection of any Executory Contract or Unexpired Lease, entry of the Confirmation Order by the Bankruptcy Court will constitute approval of such assumptions and rejections pursuant to sections 365(a) and 1123 of the Bankruptcy Code. To the maximum extent permitted by law, to the extent any provision in any Executory Contract or Unexpired Lease assumed or assumed and assigned pursuant to the Plan restricts or prevents, or purports to restrict or prevent, or is breached or deemed breached by, the Reorganized Debtors' assumption or assumption and assignment of such Executory Contract or Unexpired Lease, then such provision will be deemed modified such that the transactions contemplated by the Plan will not entitle the non-debtor party thereto to terminate such Executory Contract or Unexpired Lease or to exercise any other default-related rights with respect thereto. Each Executory Contract and Unexpired Lease assumed pursuant to this Article of the Plan will revest in and be fully enforceable by the Reorganized Debtors in accordance with its terms, except as modified by the provisions of the Plan, any order of the Bankruptcy Court authorizing and providing for its assumption, or applicable law.

B. Assignment of Executory Contracts or Unexpired Leases

In the event of an assignment of an Executory Contract or Unexpired Lease to an Entity other than a Debtor or its successor, at least ten (10) days prior to the Confirmation Hearing, the Debtors will serve upon counterparties to such Executory Contracts and Unexpired Leases a notice of the proposed assumption and assignment that will: (a) list the applicable monetary cure amount, if any; (b) identify the party to which the Executory Contract or Unexpired Lease will be assigned; (c) describe the procedures for filing objections thereto; and (d) explain the process by which related disputes will be resolved by the Bankruptcy Court. Additionally, the Debtors will file with the Bankruptcy Court a list of such Executory Contracts and Unexpired Leases to be assigned and the proposed monetary cure amounts, which list (including any proposed cure amounts set forth therein) shall be in form and substance reasonably satisfactory to the Required Consenting Creditors. Any applicable cure will be satisfied as set forth in ARTICLE VI.D.

C. Rejection of Executory Contracts or Unexpired Leases

All Executory Contracts and Unexpired Leases identified in the Rejected Executory Contract/Unexpired Lease List shall be deemed rejected as of the Effective Date. The Confirmation Order will constitute an order of the Bankruptcy Court approving the rejections identified in the Rejected Executory Contract/Unexpired Lease List and this Article of the Plan pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date.

All Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to the Plan or the Confirmation Order, if any, must be Filed with the Bankruptcy Court within twenty-one (21) days after the date of entry of an order of the Bankruptcy Court (including the Confirmation Order) approving such rejection or such other time as may be set by such order (the "*Rejection Claim Bar Date*"). The Debtors or Reorganized Debtors, as the case may be, will provide notice of such rejection and specify the appropriate deadline for the filing of such Proof of Claim. The deadline for filing a Proof of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases pursuant to a prior order of the Bankruptcy Court shall be as set forth in such order; *provided, however* if such order does not set such a deadline, the deadline shall the Rejection Claim Bar Date. Each Claim arising from the rejection of any Executory Contract or Unexpired Lease shall be treated as a General Unsecured Claim subject to any applicable limitation or defense under the Bankruptcy Code and applicable law.

Any Entity that is required to File a Proof of Claim arising from the rejection of an Executory Contract or an Unexpired Lease that fails to timely do so will be forever barred, estopped and enjoined from asserting such Claim, and such Claim will not be enforceable, against the Debtors, the Reorganized Debtors or the Estates, and the Debtors, the Reorganized Debtors and their Estates and property will be forever discharged from any and all indebtedness and liability with respect to such Claim unless otherwise ordered by the Bankruptcy Court or as otherwise provided in the Plan. All such Claims will, as of the Effective Date, be subject to the permanent injunction set forth in ARTICLE X.E.2 of the Plan.

Notwithstanding anything to the contrary herein, all rights of the Debtors, the Reorganized Debtors, and any counterparty to any Executory Contract or Unexpired Lease are reserved in the event that the Debtors, with the consent of the Required Consenting Creditors (which consent shall not be unreasonably withheld), or the Reorganized Debtors, as applicable, amend their decision with respect to the rejection of any Executory Contract or Unexpired Lease.

D. Cure of Defaults for Assumed Executory Contracts and Unexpired Leases

Any monetary amounts by which any Executory Contract or Unexpired Lease to be assumed hereunder is in default shall be satisfied, under section 365(b)(1) of the Bankruptcy Code, by the Debtors or Reorganized Debtors, as applicable, upon assumption thereof, by payment of the default amount in Cash on the later of the Initial Distribution Date, or the date as and when such amount is due in the ordinary course, or on such other terms as the parties to such Executory Contract or Unexpired Lease may otherwise agree, subject to ARTICLE VI.E. Following the Petition Date, the Debtors may serve a notice on parties to Executory Contracts and Unexpired Leases to be assumed reflecting the Debtors' intention to assume the Executory Contract or Unexpired Lease in connection with this Plan and setting forth the proposed cure (if any). If a counter party to any Executory Contract or Unexpired Lease, that the Debtors or Reorganized Debtors, as applicable, intend to assume, does not receive such a notice, the proposed cure for such Executory Contract or Unexpired Lease shall be deemed to be zero dollars ($0).

E. Objections to Assumption, Assignment or Cure of Executory Contracts or Unexpired Leases

Any objection by a counterparty to an Executory Contract or Unexpired Lease to a proposed assumption or assignment or any related monetary cure amount must be Filed, served and actually received by the Debtors at least five (5) Business Days prior to the Confirmation Hearing. Any counterparty to an Executory Contract and Unexpired Lease that fails to object timely to the proposed assumption, assignment or cure amount will be deemed to have consented to such assumption or assumption and assignment, and to such cure, of its Executory Contract or Unexpired Lease. The Confirmation Order will constitute an order of the Bankruptcy Court approving any proposed assignments of Executory Contracts or Unexpired Leases pursuant to sections 365 and 1123 of the Bankruptcy Code as of the Effective Date. In the event of a dispute regarding assumption, assumption and assignment, or cure of any Executory Contract or Unexpired Lease, any applicable cure payments will be made following the entry of a Final Order or orders resolving the dispute and approving the assumption or assumption and assignment, and cure. The Reorganized Debtors reserve the right to reject any Executory Contract or Unexpired Lease at any time in lieu of assuming or assuming and assigning it.

F. Assumption of Existing Senior Leadership Employment Agreements/Incentive Compensation

On the Effective Date, the Reorganized Debtors will assume all of the Existing Senior Leadership Employment Agreements pursuant to section 365(a) of the Bankruptcy Code, subject to the applicable employee agreeing to certain amendments as negotiated between the Debtors and the Required Consenting Creditors. Nothing herein shall prevent or prohibit the Debtors, with the consent of the Required Consenting Lenders, or the Reorganized Debtors from entering into new management employment agreements with their key management to be effective as of the Effective Date, covering, without limitation, base salary, incentives, and executive benefits.

G. Director and Officer Insurance Policies

Upon the Effective Date, the Reorganized Debtors will have similar insurance coverage to the D&O Liability Insurance Policies in effect upon the Petition Date. If, as of the Effective Date, the Debtors do not have a six (6) year discovery period (referred to as a "*Tail Policy*") in place under such D&O Liability Insurance Policies, the Reorganized Debtors shall acquire such six (6) year Tail Policy, which shall be in form and substance reasonably satisfactory to the Required Consenting Lenders, TI Holdings and the Debtors. If, as of the Effective Date, the Debtors have already acquired such a Tail Policy, such policy shall be deemed an assumed contract to the extent executory. For the avoidance of doubt, any new D&O Liability Insurance Policies that are to be purchased and effective as of the Effective Date shall be in form and substance reasonably satisfactory to the Required Consenting Creditors and the Debtors.

H. Indemnification Provisions

All indemnification provisions in place immediately prior to the Effective Date (whether in the by-laws, certificate of incorporation, board resolutions, contracts, or otherwise) for the current and former directors, officers and employees of the Debtors who served in such capacity with respect to the Debtors or Equity Parent, or based upon any act or omission taken or omitted in such capacities for or on behalf of the Debtors or Equity Parent, will be Reinstated (or assumed, as the case may be), and will survive effectiveness of the Plan. No such Reinstatement or assumption shall in any way extend the scope or term of any indemnification provision beyond that contemplated in the underlying contract or document as applicable; provided,

further, that the Reorganized Debtors shall have no indemnification obligations for any losses, liabilities, or expenses arising out of conduct determined by a Final Order to have constituted actual fraud, gross negligence, bad faith, or willful misconduct.

I. Compensation and Benefit Programs

The Debtors shall file, as part of the Plan Supplement, the Schedule of Assumed Compensation and Benefit Programs. Except as otherwise provided in the Plan or in the Existing Senior Leadership Employment Agreements (as amended, if applicable), all employment and severance policies, and all compensation and benefit plans, policies, and programs of the Debtors applicable to its employees, retirees, and non-employee directors and the employees and retirees of its subsidiaries, including, without limitation, all savings plans, retirement plans, healthcare plans, disability plans, vacation and paid time off programs, severance benefit plans, incentive plans (other than equity incentive plans providing for the distribution of equity in the Reorganized Debtors, which will replaced by the Management Incentive Plan), life, and accidental death and dismemberment insurance plans, are treated as Executory Contracts under the Plan and on the Effective Date will be assumed pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code, in each case to the extent listed on the Schedule of Assumed Compensation and Benefit Programs. Any payment obligations under any assumed employment contracts and benefit plans that have been or purport to have been accelerated as a result of the commencement of the Chapter 11 Cases or the consummation of any transactions contemplated by the Plan will be Reinstated and such acceleration will be rescinded and deemed not to have occurred.

J. Workers' Compensation Benefits

Except as otherwise provided in the Plan, as of the Effective Date, the Debtors and the Reorganized Debtors will continue to honor their obligations under: (i) all applicable workers' compensation laws in states in which the Reorganized Debtors operate; and (ii) the Debtors' written contracts, agreements, agreements of indemnity, self-insurer workers' compensation bonds, and any other policies, programs, and plans regarding or relating to workers' compensation and workers' compensation insurance. All such contracts and agreements are treated as Executory Contracts under the Plan and on the Effective Date will be assumed pursuant to the provisions of sections 365 and 1123 of the Bankruptcy Code. Notwithstanding anything to the contrary contained in the Plan, confirmation of the Plan will not impair or otherwise modify any rights of the Reorganized Debtors under any such contracts, agreements, policies, programs or plans regarding or relating to workers' compensation or workers' compensation insurance.

K. Insurance Policies

Other than the insurance policies otherwise discussed herein, all other insurance policies to which any Debtor is a party as of the Effective Date shall be deemed to be and treated as Executory Contracts and shall be assumed by the applicable Debtor or Reorganized Debtor and shall continue in full force and effect thereafter in accordance with their respective terms.

ARTICLE VII.
PROVISIONS GOVERNING DISTRIBUTIONS

A. Distributions for Claims Allowed as of the Effective Date

Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant parties and subject to the establishment of the Class 5 Reserve, the Distribution Agent shall make

initial distributions under the Plan on account of Claims Allowed before the Effective Date on or as soon as practicable after the Initial Distribution Date.

B. Distributions on Account of Claims Allowed After the Effective Date

1. Payments and Distributions on Disputed Claims.

Except as otherwise provided in the Plan, a Final Order or as agreed to by the relevant parties and subject to the establishment of the Class 5 Reserve, if a Disputed Claim becomes an Allowed Claim after the Effective Date, distributions that would be past due under the Plan on account of such Disputed Claim if it had previously been an Allowed Claim shall be made within thirty (30) days after the Disputed Claim becomes an Allowed Claim, or as soon as practicable thereafter, without any interest to be paid on account of such Claim unless it is a Secured Clam and such payment is required under applicable bankruptcy law.

2. Special Rules for Distributions to Holders of Disputed Claims.

Notwithstanding any provision otherwise in the Plan and except as otherwise agreed to by the relevant parties no partial payments and no partial distributions shall be made with respect to a Disputed Claim until all such disputes in connection with such Disputed Claim have been resolved by settlement or Final Order, and such Claim has become an Allowed Claim. In the event that there are Disputed Claims requiring adjudication and resolution, the Reorganized Debtors shall establish appropriate reserves for potential payment of such Claims pursuant to ARTICLE VII.B.3 hereof.

3. The Class 5 Reserve.

On the Effective Date, pending resolution of Disputed General Unsecured Claims, the Reorganized Debtors or applicable Reorganized Debtor shall withhold from distributions as a reserve the Class 5 Default Consideration and, if applicable, the Class 5 Consensual Plan Consideration, as set forth in this section of the Plan (the "Class 5 Reserve"). For the benefit of Holders of Allowed General Unsecured Claims, and to enable the distribution of the Class 5 Default Consideration and the Class 5 Consensual Plan Consideration: (A) the Amended Organizational Documents shall provide for the issuance of (1) a number of shares of Exchange Common Shares equal to 5.5% of the maximum number thereof issuable under the Plan, provided that such number of shares shall be reduced by any reduction resulting if the Class 5 Equity Cash Out Option is available and elected by any eligible Holders and (2) the Class A Warrants; (B) the Reorganized First Lien Term Loan Agreement shall provide for the issuance of (1) $2.5 million of Reorganized First Lien Term Loans and (2) if Class 5 votes to accept the Plan, an additional $2.0 million of Reorganized First Lien Term Loans (less any Class 5 Swapped Debt); and (C) if Class 5 votes to accept the Plan, the Reorganized Debtors shall be obligated to pay $1,000,000 in Cash plus up to an additional $1,050,000 in Cash if the Class 5 Equity Cash Out Option is available and elected by any eligible Holders of Allowed General Unsecured Claims. Subject to the foregoing limits, the amount of Exchange Common Shares, Class A Warrants, Reorganized First Lien Term Loans and Cash to be withheld as a part of the Class 5 Reserve for the benefit of a Holder of a Disputed Claim in Class 5 shall be equal to the lesser of the amount set forth in the following clause (a) and the amount set forth in the following clause (b): (a) (i) if no estimation is made by the Bankruptcy Court pursuant to ARTICLE VIII herein, the number of shares of Exchange Common Shares and the amount of Class A Warrants, Reorganized First Lien Term Loans and Cash necessary to satisfy the distributions required to be made pursuant to the Plan based on the asserted amount of the Disputed Claim or, if the Claim is denominated as contingent or unliquidated as of the Distribution Record Date, the amount that the Debtors, with the consent of the Required Consenting Creditors (which consent shall not be

unreasonably withheld) elect to withhold on account of such Claim in the Class 5 Reserve; or (ii) the number of shares of Exchange Common Shares and the amount of Class A Warrants, Reorganized First Lien Term Loans and Cash necessary to satisfy the distributions required to be made pursuant to the Plan for such Disputed Claim based on an amount as estimated by and set forth in an order of the Bankruptcy Court for purposes of allowance and distributions; and (b) the number of shares of Exchange Common Shares and the amount of Class A Warrants, Reorganized First Lien Term Loans and Cash necessary to satisfy the distributions required to be made pursuant to the Plan based on an amount as may be agreed upon by the Holder of such Disputed Claim and the Reorganized Debtors, with the consent of the Required Consenting Creditors, which consent may not be unreasonably withheld. As Disputed Claims are Allowed, the Distribution Agent shall distribute, in accordance with the terms of the Plan, Exchange Common Shares, Class A Warrants, Reorganized First Lien Term Loans and Cash to Holders of Allowed General Unsecured Claims, and the Class 5 Reserve shall be adjusted accordingly.

C. Delivery and Distributions and Undeliverable or Unclaimed Distributions

1. Record Date for Distributions

At the close of business on the Distribution Record Date, the Claims Register shall be closed and any party responsible for making distributions shall instead be authorized and entitled to recognize only those Holders of Claims listed on the Claims Register as of the close of business on the Distribution Record Date. If a Claim, other than one based on a publicly traded security is transferred 20 or fewer days before the Distribution Record Date, the Distribution Agent shall make distributions to the transferee only to the extent practical and, in any event, only if the relevant transfer form contains an unconditional and explicit certification and waiver of any objection to the transfer by the transferor.

At the close of business on the Distribution Record Date, the transfer ledgers for the Equity Interests in Holdings shall be closed, and there shall be no further changes in the record holders of such Claims or Equity Interests.

The Reorganized Debtors, the Distribution Agent, and each of their respective agents, successors, and assigns shall have no obligation to recognize the transfers of Claims or Equity Interests not occurring timely in accordance herewith and shall be entitled instead to recognize and deal for all purposes hereunder with only those record holders on the Claims Register or transfer ledgers, as applicable, as of the close of business on the Distribution Record Date irrespective of the number of distributions to be made under the Plan to such Persons or the date of such distributions.

2. Delivery of Distributions in General

Distributions of Cash may be made either by check drawn on a domestic bank or wire transfer from a domestic bank, at the option of the Reorganized Debtors, except that, permissively, Cash payments made to foreign Creditors may be made in such funds and by such means as are necessary or customary in a particular foreign jurisdiction.

Except as otherwise provided herein, Plan Distributions to Holders of Allowed Claims shall be delivered to the address for each such Holder as indicated on the Debtors' records as of the date of any such distribution; provided, however, that the manner of such distributions shall be determined at the discretion of the Debtors or the Reorganized Debtors, as applicable; and provided further, that the address for each Holder of an Allowed Claim shall be deemed to be the address set forth in any Proof of Claim Filed by that Holder.

All distributions to Holders of Prepetition First Lien Claims and Prepetition Second Lien Claims shall be deemed completed when made to such Holders. Notwithstanding any provisions herein to the contrary, Prepetition First Lien Loan Agreement and Prepetition Second Lien Loan Agreement shall continue in effect to the extent necessary to allow the Debtors or Reorganized Debtors, as applicable, either directly or through the Distribution Agent to make Plan Distributions pursuant to this Plan on account of the Prepetition First Lien Claims and Prepetition Second Lien Claims.

3. Distributions by Distribution Agents

Except as otherwise set forth in this ARTICLE VII.B, all Plan Distributions shall be made by the Reorganized Debtors as Distribution Agent, or by such other Entity designated by the Debtors as a Distribution Agent on the Effective Date or thereafter, unless the Plan specifically provides otherwise. The Reorganized Debtors, or such other Entity designated by the Debtors to be the Distribution Agent, shall not be required to give any bond or surety or other security for the performance of such Distribution Agent's duties unless otherwise ordered by the Bankruptcy Court.

The Distribution Agent shall be empowered to (a) effect all actions and execute all agreements, instruments, and other documents necessary to perform its duties under the Plan; (b) make all Plan Distributions contemplated hereby; (c) employ professionals to represent it with respect to its responsibilities; and (d) exercise such other powers as may be vested in the Distribution Agent by order of the Bankruptcy Court, pursuant to the Plan, or as deemed by the Distribution Agent to be necessary and proper to implement the provisions hereof.

4. Minimum Distributions

Notwithstanding anything herein to the contrary, the Reorganized Debtors shall not be required to make distributions or payments of less than $50 (whether Cash or otherwise) and shall not be required to make partial distributions or payments of fractions of dollars, shares or warrants. Whenever any payment or distribution of a fraction of a dollar, fraction of a share of New Common Shares or fraction of a New Warrant under the Plan would otherwise be called for, the actual payment or distribution will reflect a rounding of such fraction to the nearest whole dollar, whole share of New Common Shares or whole New Warrant (up or down), with half dollars, half shares of New Common Shares and half New Warrants or less being rounded down.

5. Undeliverable Distributions

(a) Holding of Certain Undeliverable Distributions

If any distribution to a Holder of an Allowed Claim made in accordance herewith is returned to the Reorganized Debtors (or their Distribution Agent) as undeliverable, no further distributions shall be made to such Holder unless and until the Reorganized Debtors (or their Distribution Agent) are notified in writing of such Holder's then current address, at which time all currently due missed distributions shall be made to such Holder within thirty (30) days following such notification or as soon as practicable thereafter. Undeliverable distributions shall remain in the possession of the Reorganized Debtors, subject to the following subsection hereof, until such time as any such distributions become deliverable. Undeliverable distributions shall not be entitled to any interest, dividends or other accruals of any kind.

(b) Failure to Claim Undeliverable Distributions

Any Holder of an Allowed Claim, irrespective of when a Claim becomes an Allowed Claim, that does not notify the Reorganized Debtors of such Holder's then current address in accordance herewith within the latest of (i) one year after the Effective Date, (ii) 60 days after the attempted delivery of the undeliverable distribution and (iii) 180 days after the date such Claim becomes an Allowed Claim shall have its Claim for such undeliverable distribution discharged and shall be forever barred, estopped and enjoined from asserting any such Claim against the Reorganized Debtors or their property. In such cases, (i) any Exchange Common Shares, New Warrants, Reorganized First Lien Term Loans or Cash held for distribution on account of Allowed Claims in Class 3 or Class 5, as applicable, shall be redistributed to Holders of Allowed Claims in the applicable Class entitled to such form of consideration, and as may be limited by the Plan, within seventy-five days thereafter and (ii) any Cash held for distribution to any other creditors shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code and become property of the Reorganized Debtors, free of any Claims of such Holder with respect thereto. Nothing contained herein shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

(c) Failure to Present Checks

Checks issued by the Distribution Agent on account of Allowed Claims shall be null and void if not negotiated within 120 days after the issuance of such check. Requests for reissuance of any check shall be made directly to the Distribution Agent by the Holder of the relevant Allowed Claim with respect to which such check originally was issued. Any Holder of an Allowed Claim holding an un-negotiated check that does not request reissuance of such un-negotiated check within 180 days after the date of mailing or other delivery of such check shall have its Claim for such un-negotiated check discharged and be discharged and forever barred, estopped and enjoined from asserting any such Claim against the Reorganized Debtors or their property. In such cases, any Cash held for payment on account of such Claims shall be property of the Reorganized Debtors, free of any Claims of such Holder with respect thereto. Nothing contained herein shall require the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

D. Compliance with Tax Requirements/Allocations

In connection with the Plan, to the extent applicable, the Reorganized Debtors shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant hereto shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Reorganized Debtors and the Distribution Agent shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions or establishing any other mechanisms they believe are reasonable and appropriate. The Reorganized Debtors reserve the right to allocate all distributions made under the Plan in compliance with all applicable wage garnishments, alimony, child support and other spousal awards, and related liens and encumbrances. Notwithstanding the foregoing, each Holder of an Allowed Claim that is to receive a distribution hereunder shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any Government Unit, including income, withholding and other tax obligations, on account of such distribution. The Reorganized Debtors have the right, but not the obligation, not to make a distribution until such Holder has made arrangements satisfactory to the Reorganized Debtors for payment of any such tax obligations. The Reorganized Debtors may require, as a condition to the receipt of a distribution, that the Holder of an Allowed Claim complete the appropriate Form W-8 or Form W-9, as

applicable to each Holder. If such Holder fails to comply with such request within one year, such distribution shall be deemed an unclaimed distribution.

In connection with the distribution of New Common Shares to current or former employees of the Debtors, Reorganized Holdings will take whatever actions are necessary to comply with applicable U.S. federal, state, local and non-U.S. tax withholding obligations, including, when applicable, withholding from distributions a portion of the New Common Shares, selling such securities or requiring Holders of such securities to contribute the Cash necessary to satisfy tax withholding obligations including, without limitation, income, social security and Medicare taxes, and Reorganized Holdings shall pay such withheld taxes to the appropriate Governmental Unit.

To the extent that any Allowed Claim entitled to distribution under the Plan consists of indebtedness and accrued but unpaid interest thereon, such distributions shall, for all income tax purposes, be allocated first to the principal amount of the Claim (as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

E. Timing and Calculation of Amounts to Be Distributed

On the Effective Date or as soon as reasonably practicable thereafter (or if a Claim is not an Allowed Claim on the Effective Date, on the date that such a Claim becomes an Allowed Claim, or as soon as reasonably practicable thereafter), or at such other time as may be specified in the Plan, each Holder of an Allowed Claim against the Debtors shall receive the full amount of the distributions that the Plan provides for Allowed Claims in the applicable Class, provided that, in the event that any payment or act under the Plan is required to be made or performed on a date that is not on a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in ARTICLE VII hereof. Except as otherwise provided herein, Holders of Claims shall not be entitled to interest, dividends or accruals on the distributions provided for herein, regardless of whether such distributions are delivered on or at any time after the Effective Date.

F. Setoffs

The Debtors and the Reorganized Debtors may withhold (but not setoff except as set forth below) from the distributions called for hereunder on account of any Allowed Claim, other than the Allowed Claim of a Consenting Creditor, an amount equal to any claims, equity interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim. In the event that any such claims, equity interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim, other than the Allowed Claim of a Consenting Creditor, are adjudicated by Final Order or otherwise resolved, the Debtors may, pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, set off against any Allowed Claim, other than the Allowed Claim of a Consenting Creditor, and the distributions to be made pursuant hereto on account of such Allowed Claim (before any distribution is made on account of such Allowed Claim), the amount of any adjudicated or resolved claims, equity interests, rights and Causes of Action of any nature that the Debtors or the Reorganized Debtors may hold against the Holder of any such Allowed Claim, but only to the extent of such adjudicated or resolved amount. Neither the failure to effect such a setoff nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Reorganized Debtors of any such claims, equity interests, rights and Causes of Action that the

Debtors or the Reorganized Debtors may possess against any such Holder, except as specifically provided herein.

G. Surrender of Canceled Instruments or Securities

As a condition precedent to receiving any distribution on account of its Allowed Claim, each record Holder of a Prepetition First Lien Claim or Prepetition Second Lien Claim shall be deemed to have surrendered the certificates or other documentation underlying each such Claim, and all such surrendered certificates and other documentations shall be deemed to be canceled pursuant to ARTICLE V.N and ARTICLE V.O hereto, except to the extent otherwise provided herein.

H. Lost, Stolen, Mutilated or Destroyed Securities

In addition to any requirements under any applicable agreement and applicable law, any Holder of a Claim or Equity Interest evidenced by a security or note that has been lost, stolen, mutilated, or destroyed will, in lieu of surrendering such security or note to the extent required by the Plan, deliver to Reorganized Holdings and other applicable Distribution Agent: (x) evidence reasonably satisfactory to Reorganized Holdings and other applicable Distribution Agent of such loss, theft, mutilation, or destruction; and (y) such security or indemnity as may be required by Reorganized Holdings and other applicable Distribution Agent to hold such party harmless from any damages, liabilities, or costs incurred in treating such individual as a Holder of an Allowed Claim or Equity Interest. Upon compliance with this Article of the Plan as determined by the Debtors or Reorganized Debtors by a Holder of a Claim or Equity Interest evidenced by a security or note, such Holder will, for all purposes under the Plan, be deemed to have surrendered such security or note to Reorganized Holdings and other applicable Distribution Agents.

ARTICLE VIII.
PROCEDURES CONCERNING CONTINGENT, UNLIQUIDATED AND DISPUTED CLAIMS

A. Rights of Reorganized Debtors with Respect to Allowance of Claims and Equity Interests

Notwithstanding anything to the contrary herein, after the Effective Date and subject to the other provisions of the Plan, the Reorganized Debtors will have and will retain any and all rights and defenses under bankruptcy or nonbankruptcy law that the Debtors had with respect to any Claim or Equity Interest, except with respect to any Claim or Equity Interest deemed Allowed under the Plan (including the Prepetition First Lien Claims and Prepetition Second Lien Claims) or by orders of the Bankruptcy Court.

B. No Distributions to Holders of Disputed Claims or Equity Interests Pending Resolution of the Dispute

Under no circumstances will any distributions be made on account of any Claim or Equity Interest that is not an Allowed Claim or Equity Interest. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including, without limitation, the Confirmation Order and the DIP Orders), no Claim or Equity Interest will become an Allowed Claim unless and until such Claim or Equity Interest is deemed Allowed under the Plan or the Bankruptcy Code or the Bankruptcy Court has entered a Final Order, including, without limitation, the Confirmation Order, in the Chapter 11 Cases allowing such Claim or Equity Interest. No payment or other distribution or treatment shall be made on

account of a Disputed Claim or Equity Interest, even if a portion of the Claim or Equity Interest is not disputed, unless and until such Disputed Claim or Equity Interest becomes an Allowed Claim or Equity Interest and the amount of such Allowed Claim or Equity Interest is determined by a Final Order, provided, however, that the Reorganized Debtors and the subject Holder, may determine allowance of a Disputed Claim or Equity Interest after the Effective Date without further order of the Bankruptcy Court. Notwithstanding any other provision of the Plan, the Reorganized Debtors and any Distribution Agent shall have no obligation to make any distribution to a specific Holder of an Allowed Claim if such Holder is also the Holder of a Disputed Claim.

C. Resolving Disputed Claims and Equity Interests

All of the following objection, estimation and resolution procedures are cumulative and not exclusive of one another.

1. Generally

The Debtors and Reorganized Debtors intend to attempt to resolve Disputed Claims and Equity Interests consensually or through judicial means outside the Bankruptcy Court. Nevertheless, from and after the Confirmation Date but before the Effective Date, the Debtors, and, after the Effective Date, the Reorganized Debtors, shall have the exclusive right to object to Claims and Equity Interests and resolve such objections pending as of the Confirmation Date and, may, in their discretion, file with the Bankruptcy Court an objection to the allowance of any Disputed Claim or Equity Interest or any other appropriate motion or adversary proceeding with respect thereto and prosecute all such pending objections, motions or adversary proceedings; provided, however, (i) the Debtors shall consult with the Required Consenting Lenders prior to filing any such objection, motion or adversary proceeding and (ii) the consent of the Required Consenting Lenders (which consent shall not be unreasonably withheld) shall be required with respect to the resolution of any objection that results in (x) and Allowed Administrative Expense Claim greater than or equal to $100,000 or (y) an Allowed General Unsecured Claim greater than or equal to $200,000 . All such matters pending as of the Confirmation Date shall be litigated to Final Order, provided, however, that, except to the extent otherwise provided in the Confirmation Order, the Reorganized Debtors are authorized to settle, or withdraw any such matters with respect to any Disputed Claim or Equity Interest following the Effective Date without further notice or authorization of the Bankruptcy Court, in which event such Claim or Equity Interest shall be deemed to be an Allowed Claim or Equity Interest in the amount compromised for purposes of the Plan. The Reorganized Debtors will have the sole authority to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order or approval of the Bankruptcy Court.

2. Estimation

After the Confirmation Date but before the Effective Date, the Debtors, with the consent of the Required Consenting Creditors (which consent shall not be unreasonably withheld), and, after the Effective Date, the Reorganized Debtors may, at any time, request that the Bankruptcy Court estimate (a) any Disputed Claim or Equity Interest pursuant to applicable law and (b) any contingent or unliquidated Claim or Equity Interest pursuant to applicable law, including, without limitation, section 502(c) of the Bankruptcy Code, and the Bankruptcy Court will retain jurisdiction under 28 U.S.C. §§ 157 and 1334 to estimate any Disputed Claim or Equity Interest, contingent Claim or Equity Interest or unliquidated Claim or Equity Interest, including during the litigation concerning any objection to any Claim or Equity Interest or during the pendency of any appeal relating to any such objection. Claims or Equity Interests may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the

Bankruptcy Court. The rights and objections of all parties are reserved in connection with any such estimation proceeding.

D. Distributions after Allowance of Disputed Claims or Equity Interests

Following the date on which a Disputed Claim or Equity Interest becomes an Allowed Claim or Equity Interest after the Distribution Date, the Reorganized Debtors shall pay directly to the Holder of such Allowed Claim or Equity Interest the amount or consideration provided for under the Plan, as applicable, and in accordance therewith.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONSUMMATION OF THE PLAN

The failure to satisfy or waive a condition to Consummation may be asserted, as applicable, by the Debtors and the Required Consenting Creditors regardless of the circumstances giving rise to the failure of such condition to be satisfied.

A. Conditions Precedent to Consummation

Consummation of the Plan shall occur on the Business Day as determined by the Debtors with the consent of the Required Consenting Creditors after they reasonably determine that the following conditions have been met or waived pursuant to the provisions of ARTICLE IX of the Plan:

1. The Bankruptcy Court has entered the Confirmation Order and it is a Final Order, and such order is in form and substance acceptable to the Debtors and the Required Consenting Creditors.

2. The Confirmation Order provides that, among other things, the Debtors or the Reorganized Debtors, as appropriate, are authorized and directed to take all actions necessary or appropriate to consummate the Plan, including, without limitation, entering into, implementing and consummating the contracts, instruments, releases, leases, indentures and other agreements or documents or Alternative Structures created in connection with or described in the Plan.

3. All actions, documents, certificates and agreements necessary to implement this Plan have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable Governmental Units in accordance with applicable laws.

4. The Plan Documents are consistent with, and in form and substance as required by the approvals and consents set forth in, the Restructuring Support Agreement; provided, however, for the avoidance of doubt, any Plan Documents regarding organizational and governance matters of the Reorganized Debtors, including, without limitation, the Amended Organizational Documents, shall be acceptable to the Required Consenting Creditors in their sole discretion.

5. All documents and agreements necessary to implement the Plan, including, without limitation, the New ABL Facility Documents, the Reorganized First Lien Term Loan Documents, the Amended Organizational Documents and the New Warrants have (a) all conditions precedent to such documents and agreements satisfied or waived pursuant to the

terms of such documents or agreements, (b) been tendered for delivery and/or (c) been effected or executed, as applicable.

6. The Restructuring Support Agreement is in full force and effect.

7. All Restructuring Expenses and all Agent Fee Claims have been paid in accordance with ARTICLE V.R and ARTICLE V.S hereof, respectively.

8. The New Board and senior management shall have been selected as contemplated by this Plan.

9. All governmental and third-party approvals and consents, including Bankruptcy Court approval, necessary in connection with the transactions provided for in this Plan have been obtained, are not subject to unfulfilled conditions, and are in full force and effect, and all applicable waiting periods have expired without any action having been taken by any competent authority that would restrain, prevent, or otherwise impose materially adverse conditions on such transactions.

10. All statutory fees and obligations then due and payable to the Office of the United States Trustee shall have been paid and satisfied in full.

B. Waiver of Conditions

The conditions to Consummation of the Plan set forth in this Article, other than the condition that the Bankruptcy Court has entered a Confirmation Order in form and substance acceptable to the Debtors and the Required Consenting Creditors, may be waived, in whole or in part, by the Debtors with the consent of the Required Consenting Creditors, in each case without further notice, leave, hearing or order of the Bankruptcy Court or any formal action and, thereupon, Consummation may occur.

C. Notice of Effective Date

The Debtors shall file with the Bankruptcy Court a notice of the occurrence of the Effective Date within a reasonable period of time after the conditions in ARTICLE IX.A of this Plan have been satisfied or waived pursuant to ARTICLE IX.B of this Plan.

D. Effect of Non-Occurrence of Conditions to Consummation

If prior to Consummation of the Plan, the Confirmation Order is vacated pursuant to a Final Order, then except as provided in any order of the Bankruptcy Court vacating the Confirmation Order, (1) this Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by this Plan and any document or agreement executed pursuant hereto shall be deemed null and void except as may be set forth in a separate order entered by the Bankruptcy Court; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Entity, or Causes of Action; (b) prejudice in any manner the rights of the Debtors or any other Entity; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by the Debtors or any other Entity.

ARTICLE X.
EFFECT OF CONFIRMATION; AND RELEASE, INJUNCTION AND RELATED PROVISIONS

A. Compromise and Settlement

1. Except as expressly provided in the Plan or the Confirmation Order, all distributions and rights afforded under the Plan and the treatment of Claims and Equity Interests under the Plan shall be, and shall be deemed to be, in exchange for, and in complete satisfaction, settlement, discharge and release of, all Claims and any other obligations, suits, judgments, damages, debts, rights, remedies, Causes of Action or liabilities of any nature whatsoever, and of all Equity Interests, or other rights of a holder of an Equity Interest, relating to any of the Debtors or the Reorganized Debtors or any of their respective assets, property and estates, or interests of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, and regardless of whether any property will have been distributed or retained pursuant to the Plan on account of such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, Causes of Action or liabilities, or Equity Interests or other rights of a holder of an Equity Security or other ownership interest, and upon the Effective Date, the Debtors and the Reorganized Debtors shall (i) be deemed to have received a discharge under section 1141(d)(1)(A) of the Bankruptcy Code and release from any and all Claims and any other obligations, suits, judgments, damages, debts, rights, remedies, Causes of Action or liabilities, and any Equity Interests or other rights of a holder of an Equity Security or other ownership interest, of any nature whatsoever, including, without limitation, liabilities that arose before the Effective Date (including prior to the Petition Date), and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not (a) a Proof of Claim based upon such debt is filed or deemed filed under section 501 of the Bankruptcy Code, (b) a Claim based upon such debt is Allowed under section 502 of the Bankruptcy Code (or is otherwise resolved), or (c) the holder of a Claim based upon such debt voted to accept the Plan and (ii) terminate and cancel all rights of any Equity Security holder in any of the Debtors and all Equity Interests, subject to the Subsidiary Structure Maintenance or Alternative Structures.

2. Notwithstanding anything contained herein to the contrary, the allowance, classification and treatment of all Allowed Claims and their respective distributions and treatments hereunder takes into account and conforms to the relative priority and rights of the Claims and the Equity Interests in each Class in connection with any contractual, legal and equitable subordination rights relating thereto whether arising under general principles of equitable subordination, section 510(b) and (c) of the Bankruptcy Code or otherwise. As of the Effective Date, any and all such rights described in the preceding sentence are settled, compromised and released pursuant hereto.

3. The Confirmation Order will constitute the Bankruptcy Court's finding and determination that the settlements reflected in the Plan are (i) in the best interests of the Debtors, their estates and all Holders of Claims, (ii) fair, equitable and reasonable, (iii) made in good faith and (iv) approved by the Bankruptcy Court pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019. In addition, the allowance, classification and treatment of Allowed Claims take into account any Causes of Action, whether under the Bankruptcy Code or otherwise under applicable non-bankruptcy law, that may exist: (a) between the Debtors, Reorganized Debtors and Estates, on the one hand, and the Released Parties, on the other hand (to the extent set forth in the release contained in ARTICLE X.B); and (b) as between the Releasing Parties and the Released Parties (to the extent set forth in the release contained in ARTICLE X.C); and, as of the Effective Date, any and all such Causes of Action are settled, compromised and released pursuant hereto. The Confirmation Order shall approve the releases in

the Plan of all contractual, legal and equitable subordination rights or Causes of Action that are satisfied, compromised and settled pursuant hereto.

4. Except as expressly provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against each of the Debtors, the Debtors' respective assets, property and Estates and the Reorganized Debtors any other or further Claims, or any other obligations, suits, judgments, damages, debts, rights, remedies, Causes of Action or liabilities of any nature whatsoever, and all Equity Interests or other rights of a holder of an Equity Interest, relating to any of the Debtors or Reorganized Debtors or any of their respective assets, property and estates based upon any act, omission, transaction or other activity of any nature that occurred prior to the Effective Date. In accordance with the foregoing, except as expressly provided in the Plan or the Confirmation Order, the Confirmation Order shall constitute a judicial determination, as of the Effective Date, of the discharge of all such Claims or other obligations, suits, judgments, damages, debts, rights, remedies, Causes of Action or liabilities, and any Equity Interests or other rights of a holder of an Equity Interest and termination of all rights of any such holder in any of the Debtors, pursuant to sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void and extinguish any judgment obtained against the Debtors, the Reorganized Debtors or any of their respective assets, property and Estates at any time, to the extent such judgment is related to a discharged Claim, debt or liability or terminated right of any holder of any Equity Interest in any of the Debtors or terminated Equity Interest.

B. Mutual Release by the Debtors and Released Parties

Except as otherwise provided in this Plan, on the Confirmation Date and effective as of the Effective Date, for good and valuable consideration provided by each of the Debtors, Reorganized Debtors, and Estates, on the one hand, and the Released Parties, on the other hand, to the fullest extent permissible under applicable law, the Debtors, Reorganized Debtors, and Estates, on the one hand, and the Released Parties, on the other hand, shall, and shall be deemed to, conclusively, absolutely, unconditionally, irrevocably, and forever release, waive, void, extinguish and discharge each other, their Related Persons, and their respective property from any and all Claims, Equity Interests, obligations, debts, rights, suits, damages, Causes of Action, remedies, judgments, defenses, counterclaims, and liabilities of any nature whatsoever, including any derivative Claims asserted or which could be asserted on behalf of a Debtor and/or a Reorganized Debtor, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity, or otherwise, that the Debtors, the Reorganized Debtors, the Estates, on the one hand, and Released Parties, on the other hand, would have been legally entitled to assert against the other, their Related Persons or their property in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Reorganized Debtors, any transactions contemplated by the Plan, the Chapter 11 Cases, the Prepetition First Lien Loan Agreement, the Prepetition Second Lien Loan Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, any payments, distributions, or dividends any Debtor or Affiliate paid to or received from any Released Party, fraudulent or preferential transfer or conveyance, tort, contract, breach of fiduciary duty, violation of state or federal laws, including securities laws, negligence, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Equity Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Restructuring Support Agreement, the Plan, the Disclosure Statement, the Plan Supplement, or related agreements, instruments, or other documents; provided, however, that the foregoing release shall not operate

to waive or release any Claims, obligations, debts, rights, suits, damages, remedies, Causes of Action, and liabilities in respect of any Debtor, Reorganized Debtor or Estate, on the one hand, or Released Party, on the other hand, solely to the extent: (1) arising out of or relating to any act or omission of such purportedly released Entity that constitutes fraud, gross negligence, bad faith, or willful misconduct as determined by Final Order of a court of competent jurisdiction; or (2) arising under the Plan or the Plan Documents.

C. Releases by Holders of Claims and Interests

Except as otherwise provided in this Plan, on the Confirmation Date and effective as of the Effective Date, for good and valuable consideration, to the fullest extent permissible under applicable law, each of the Releasing Parties shall, and shall be deemed to, conclusively, absolutely, unconditionally, irrevocably, and forever release, waive, void, extinguish, and discharge each Released Party (and each such Released Party so discharged and released shall be deemed discharged and released by the Releasing Parties) and their respective property from any and all Claims, Equity Interests, obligations, debts, rights, suits, damages, Causes of Action, remedies, judgments, defenses, counterclaims, and liabilities of any nature whatsoever, including any derivative Claims asserted or which could be asserted on behalf of a Debtor and/or a Reorganized Debtor, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, disputed or undisputed, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise, that such Releasing Party would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Equity Interest or other Entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Reorganized Debtors, any transactions contemplated by the Plan, the Chapter 11 Cases, the Prepetition First Lien Loan Agreement, the Prepetition Second Lien Loan Agreement, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors or the Reorganized Debtors, any payments, distributions, or dividends any Debtor or Affiliate paid to or received from any Released Party, fraudulent or preferential transfer or conveyance, tort, contract, breach of fiduciary duty, violation of state or federal laws, including securities laws, negligence, the subject matter of, or the transactions or events giving rise to, any Claim or Equity Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Equity Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Restructuring Support Agreement, the Plan, the Disclosure Statement, the Plan Supplement, or related agreements, instruments, or other documents; provided, however, that the foregoing release shall not operate to waive or release any Claims, obligations, debts, rights, suits, damages, remedies, Causes of Action, and liabilities in respect of any Released Party, solely to the extent: (1) arising out of or relating to any act or omission of such Released Party that constitutes fraud, gross negligence, bad faith or willful misconduct as determined by Final Order of a court of competent jurisdiction or (2) arising under the Plan or the Plan Documents.

D. Exculpation

Notwithstanding anything contained herein to the contrary, the Exculpated Parties shall neither have, nor incur any liability to any Entity for any act on or after the Petition Date and on or before the Effective Date taken or omitted to be taken in connection with, or related to, the Chapter 11 Cases, the formulation, negotiation, solicitation, preparation, dissemination, confirmation, or implementation of the Plan, or consummation of the Plan, the Restructuring Support Agreement, the Disclosure Statement, the Plan Supplement, the Amended Organizational Documents, or other new corporate governance documents, any transactions contemplated by the Plan, the Management Incentive Plan, the New ABL Facility, the Reorganized First Lien Term Loan Facility, the issuance, distribution, and/or sale of any shares of the New Common Shares, the New Warrants (the issuance of New Common Shares in

connection therewith), or any other Security offered, issued, or distributed in connection with the Plan, the Chapter 11 Cases, or any contract, instrument, release or other agreement, or document created or entered into in connection with the Plan or Alternative Structures or any other prepetition or postpetition act taken or omitted to be taken in connection with or in contemplation of the restructuring of the Debtors; provided, however, that each Exculpated Party shall be entitled to rely upon the advice of counsel concerning his, her or its duties pursuant to, or in connection with, the Plan or any other related document, instrument, or agreement; provided, further, that the foregoing "Exculpation" shall have no effect on the liability of any Entity solely to the extent resulting from any such act or omission that is determined in a Final Order to have constituted fraud, gross negligence, bad faith or willful misconduct.

E. Injunctions

1. Confirmation Date Injunction

ALL INJUNCTIONS OR STAYS PROVIDED FOR IN THE CHAPTER 11 CASES UNDER SECTION 105 OR 362 OF THE BANKRUPTCY CODE, OR OTHERWISE, AND IN EXISTENCE ON THE CONFIRMATION DATE, WILL REMAIN IN FULL FORCE AND EFFECT UNTIL THE EFFECTIVE DATE.

2. Effective Date Injunctions

a. Injunction Against All Entities

EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, FROM AND AFTER THE EFFECTIVE DATE, ALL ENTITIES ARE PERMANENTLY ENJOINED FROM COMMENCING OR CONTINUING IN ANY MANNER, ANY SUIT, ACTION OR OTHER PROCEEDING, OR CREATING, PERFECTING OR ENFORCING ANY LIEN OF ANY KIND, ON ACCOUNT OF OR RESPECTING ANY CLAIM, DEMAND, LIABILITY, OBLIGATION, DEBT, RIGHT, CAUSE OF ACTION, EQUITY INTEREST, OR REMEDY RELEASED OR TO BE RELEASED, EXCULPATED OR TO BE EXCULPATED, OR DISCHARGED OR TO BE DISCHARGED PURSUANT TO THE PLAN OR THE CONFIRMATION ORDER. BY ACCEPTING DISTRIBUTIONS PURSUANT TO THE PLAN, EACH HOLDER OF AN ALLOWED CLAIM OR EQUITY INTEREST WILL BE DEEMED TO HAVE SPECIFICALLY CONFIRMED ITS CONSENT TO THIS INJUNCTION.

b. Injunction Against Holders of Released, Discharged or Exculpated Claims

Except as otherwise provided herein or for obligations issued pursuant hereto, all Entities that have held, hold, or may hold Claims or Equity Interests that have been released pursuant to ARTICLE X.B or ARTICLE X.C, discharged pursuant to ARTICLE X.A, or are subject to exculpation pursuant to ARTICLE X.D, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties, or the Exculpated Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Equity Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Equity Interests; (c) creating, perfecting, or enforcing any encumbrance of any kind against such Entities or the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Equity Interests; (d) asserting any right of setoff (except for setoffs

asserted prior to the Petition Date), subrogation, or of any kind against any obligation due from such Entities or against the property or Estates of such Entities on account of or in connection with or with respect to any such Claims or Equity Interests; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Equity Interests released, exculpated, or settled pursuant to the Plan.

F. Protection against Discriminatory Treatment

In accordance with section 525 of the Bankruptcy Code, and consistent with paragraph 2 of Article VI of the United States Constitution, no Governmental Unit shall discriminate against any Reorganized Debtor, or any Entity with which a Reorganized Debtor has been or is associated, solely because such Reorganized Debtor was a Debtor under chapter 11, may have been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before such Debtor was granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

G. Reimbursement or Contribution

If the Bankruptcy Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the Effective Date, such Claim shall be forever disallowed notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Effective Date (a) such Claim has been adjudicated as noncontingent, or (b) the relevant Holder of a Claim has filed a noncontingent Proof of Claim on account of such Claim, and a Final Order has been entered determining such Claim as no longer contingent.

H. Recoupment

In no event shall any Holder of Claims or Equity Interests be entitled to recoup any Claim or Equity Interest against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such Holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Effective Date, notwithstanding any indication in any proof of Claim or Equity Interest or otherwise that such Holder asserts, has, or intends to preserve any right of recoupment.

I. Preservation of Rights of Action

1. Maintenance of Causes of Action

Except as otherwise provided in ARTICLE X or elsewhere in the Plan or the Confirmation Order, after the Effective Date, the Reorganized Debtors will retain all rights to commence, pursue, litigate or settle, as appropriate, any and all Causes of Action and Litigation Claims, whether existing as of the Petition Date or thereafter arising, and Avoidance Actions, in any court or other tribunal including, without limitation, in an adversary proceeding Filed in the Chapter 11 Cases. The Reorganized Debtors, as the successors in interest to the Debtors and the Estates, may, and will have the exclusive right to, enforce, sue on, settle, compromise, transfer or assign (or decline to do any of the foregoing) any or all of the Litigation Claims without notice to or approval from the Bankruptcy Court. In accordance with the provisions of this Plan, and pursuant to section 363 of the Bankruptcy Code and Bankruptcy Rule 9019, without any further notice to or action, order or approval of the Bankruptcy Court, after the Effective Date, the Reorganized Debtors may compromise and settle Litigation Claims.

2. Preservation of All Causes of Action Not Expressly Settled or Released

Unless a Cause of Action, Litigation Claim or Avoidance Action against a Holder of a Claim or an Equity Interest or other Entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order (including, without limitation, the Confirmation Order), the Debtors expressly reserve such Cause of Action, Litigation Claim or Avoidance Action for later adjudication by the Debtors, with the consent of the Required Consenting Creditors with respect to any Cause of Action, Litigation Claim or Avoidance Action seeking in excess of $500,000 (which consent shall not be unreasonably withheld), or the Reorganized Debtors (including, without limitation, Causes of Action, Litigation Claims and Avoidance Actions not specifically identified or of which the Debtors may presently be unaware or that may arise or exist by reason of additional facts or circumstances unknown to the Debtors at this time or facts or circumstances that may change or be different from those the Debtors now believe to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches will apply to such Causes of Action or Litigation Claims upon or after the confirmation of the Plan or Consummation of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except where such Causes of Action, Litigation Claims or Avoidance Actions have been expressly released in the Plan (including, without limitation, and for the avoidance of doubt, the releases contained in ARTICLE X of the Plan) or any other Final Order (including, without limitation, the Confirmation Order). In addition, the Debtors, with the consent of the Required Consenting Creditors (which consent shall not be unreasonably withheld), and the Reorganized Debtors expressly reserve the right to pursue or adopt any claims alleged in any lawsuit in which any Debtor is a plaintiff, defendant or an interested party, against any Entity, including, without limitation, the plaintiffs or co-defendants in such lawsuits.

ARTICLE XI.
BINDING NATURE OF PLAN

ON THE EFFECTIVE DATE, AND EFFECTIVE AS OF THE EFFECTIVE DATE, THE PLAN WILL BIND, AND WILL BE DEEMED BINDING UPON, ALL HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTORS AND SUCH HOLDER'S RESPECTIVE SUCCESSORS AND ASSIGNS, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, NOTWITHSTANDING WHETHER OR NOT SUCH HOLDER (A) WILL RECEIVE OR RETAIN ANY PROPERTY OR INTEREST IN PROPERTY UNDER THE PLAN, (B) HAS FILED A PROOF OF CLAIM OR EQUITY INTEREST IN THE CHAPTER 11 CASES OR (C) FAILED TO VOTE TO ACCEPT OR REJECT THE PLAN OR AFFIRMATIVELY VOTED TO REJECT THE PLAN.

ARTICLE XII.
RETENTION OF JURISDICTION

Pursuant to sections 105(c) and 1142 of the Bankruptcy Code and notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, the Bankruptcy Court shall, after the Effective Date, retain such jurisdiction over the Chapter 11 Cases and all Entities with respect to all matters related to the Chapter 11 Cases, the Debtors and this Plan as legally permissible, including, without limitation, jurisdiction to:

1. allow, disallow, determine, liquidate, classify, estimate or establish the priority, secured, unsecured, or subordinated status of any Claim or Equity Interest, including, without limitation, the resolution of any request for payment of any Administrative

Expense Claim and the resolution of any and all objections to the allowance or priority of any Claim or Equity Interest;

2. grant or deny any applications for allowance of compensation or reimbursement of expenses authorized pursuant to the Bankruptcy Code or this Plan, for periods ending on or before the Effective Date; provided, however, that, from and after the Effective Date, the Reorganized Debtors shall pay Professionals in the ordinary course of business for any work performed after the Effective Date and such payment shall not be subject to the approval of the Bankruptcy Court;

3. resolve any matters related to the assumption, assignment or rejection of any Executory Contract or Unexpired Lease to which any Debtor is party or with respect to which any Debtor or Reorganized Debtor may be liable and to adjudicate and, if necessary, liquidate, any Claims arising therefrom, including, without limitation, (a) those matters related to any amendment to this Plan after the Effective Date, *e.g.*, to add or delete Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be rejected and not assumed; and (b) any dispute regarding whether a contract or lease is or was executory or expired;

4. resolve any issues related to any matters adjudicated in the Chapter 11 Cases;

5. ensure that distributions to Holders of Allowed Claims and Equity Interests are accomplished pursuant to the provisions of this Plan;

6. hear, decide or resolve any motions, adversary proceedings, contested or litigated matters and any other Causes of Action that are pending as of the Effective Date or that may be commenced in the future, and grant or deny any applications involving the Debtors that may be pending on the Effective Date or instituted by the Reorganized Debtors after the Effective Date, provided that the Reorganized Debtors shall reserve the right to commence actions in all appropriate forums and jurisdictions;

7. enter such orders as may be necessary or appropriate to implement or consummate the provisions of this Plan and all other contracts, instruments, releases, indentures and other agreements or documents adopted in connection with this Plan, the Plan Supplement or the Disclosure Statement;

8. resolve any cases, controversies, suits or disputes that may arise in connection with the Consummation, interpretation or enforcement of this Plan or any Entity's obligations incurred in connection with this Plan; provided, however, that any dispute arising under or in connection with the New ABL Facility Documents, or the Reorganized First Lien Term Loan Documents shall be dealt with in accordance with the provisions of the applicable document;

9. issue injunctions and enforce them, enter and implement other orders or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of this Plan, except as otherwise provided in this Plan;

10. enforce the terms and condition of this Plan and the Confirmation Order;

11. resolve any cases, controversies, suits or disputes with respect to the release, exculpation, indemnification and other provisions contained in ARTICLE X hereof

and enter such orders or take such others actions as may be necessary or appropriate to implement or enforce all such releases, injunctions and other provisions;

12. hear and determine the Litigation Claims by or on behalf of the Debtors or Reorganized Debtors;

13. enter and implement such orders or take such others actions as may be necessary or appropriate if the Confirmation Order is modified, stayed, reversed, revoked or vacated;

14. resolve any other matters that may arise in connection with or relate to this Plan, the Disclosure Statement, the Confirmation Order or any contract, instrument, release, indenture or other agreement or document adopted in connection with this Plan or the Disclosure Statement; *provided, however*, that any dispute arising under or in connection with the New ABL Facility Documents, or the Reorganized First Lien Term Loan Documents shall be dealt with in accordance with the provisions of the applicable document; and

15. enter an order concluding or closing the Chapter 11 Cases.

All of the foregoing applies following the Effective Date; provided, that from the Confirmation Date through the Effective Date, in addition to the foregoing, the Bankruptcy Court shall retain jurisdiction with respect to all other matters of this Plan that were subject to its jurisdiction prior to the Confirmation Date; provided, further, that the Bankruptcy Court shall not have nor retain exclusive jurisdiction over any post-Effective Date agreement. Nothing contained herein shall be construed to increase, decrease or otherwise modify the independence, sovereignty or jurisdiction of the Bankruptcy Court.

ARTICLE XIII.
MISCELLANEOUS PROVISIONS

A. Dissolution of the Committee

On the Effective Date, the Committee (if any) and any other statutory committee formed in connection with the Chapter 11 Cases shall dissolve automatically and all members thereof (solely in their capacities as such) shall be released and discharged from all rights, duties and responsibilities arising from, or related to, the Chapter 11 Case; provided, however, that the Committee shall continue to exist and its Professionals shall continue to be retained and entitled to reasonable and documented compensation, without further order of the Court, with respect to: (1) the preparation and prosecution of any final fee applications of the Committee's Professionals and (2) all final fee applications filed with the Bankruptcy Court.

B. Payment of Statutory Fees

All outstanding fees payable pursuant to 28 U.S.C. § 1930 shall be paid on the Effective Date. All such fees payable after the Effective Date shall be paid prior to the closing of the Chapter 11 Cases when due or as soon thereafter as practicable.

C. Modification of Plan

Effective as of the date hereof and subject to the limitations and rights contained in this Plan and in the Restructuring Support Agreement: (a) the Debtors reserve the right, with the consent of the Required Consenting Creditors and in accordance with the Bankruptcy Code and

the Bankruptcy Rules, to amend or modify this Plan prior to the entry of the Confirmation Order; and (b) after the entry of the Confirmation Order, the Debtors, with the consent of the Required Consenting Creditors, or the Reorganized Debtors, as applicable, may, and after notice and hearing and entry of an order of the Bankruptcy Court, amend or modify this Plan, in accordance with section 1127(b) of the Bankruptcy Code or remedy any defect or omission or reconcile any inconsistency in this Plan in such manner as may be necessary to carry out the purpose and intent of this Plan. A Holder of a Claim or Equity Interest that has accepted this Plan shall be deemed to have accepted this Plan, as altered, amended or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of such Claim or Equity Interest of such Holder.

D. Revocation of Plan

Subject to the terms of the Restructuring Support Agreement, including the consent and approval rights contained therein, the Debtors reserve the right to revoke or withdraw this Plan prior to the Confirmation Date and to File subsequent chapter 11 plans. If the Debtors revoke or withdraw this Plan, or if confirmation of this Plan or Consummation of this Plan does not occur, then: (1) this Plan shall be null and void in all respects; (2) any settlement or compromise embodied in this Plan, assumption or rejection of Executory Contracts or Unexpired Leases effected by this Plan and any document or agreement executed pursuant hereto shall be deemed null and void except as may be set forth in a separate order entered by the Bankruptcy Court; and (3) nothing contained in this Plan shall: (a) constitute a waiver or release of any Claims by or against, or any Equity Interests in, the Debtors or any other Entity; (b) prejudice in any manner the rights of the Debtors or any other Entity; or (c) constitute an admission, acknowledgement, offer or undertaking of any sort by the Debtors or any other Entity.

E. Entire Agreement

Except as otherwise described herein, and without limiting the effectiveness of the Restructuring Support Agreement and any related agreements thereto, the Plan supersedes all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

F. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, file with the Bankruptcy Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Bankruptcy Court to close the Chapter 11 Cases.

G. Successors and Assigns

This Plan shall be binding upon and inure to the benefit of the Debtors and their respective successors and assigns, including, without limitation, the Reorganized Debtors. The rights, benefits, and obligations of any Person or Entity named or referred to in this Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such Person or Entity.

H. Reservation of Rights

Except as expressly set forth herein, this Plan shall have no force or effect unless and until the Bankruptcy Court enters the Confirmation Order and this Plan is Consummated. Neither the filing of this Plan, any statement or provision contained herein, nor the taking of any

action by the Debtors or any other Entity with respect to this Plan shall be or shall be deemed to be an admission or waiver of any rights of: (1) the Debtors with respect to the Holders of Claims or Equity Interests or other Entity; or (2) any Holder of a Claim or an Equity Interest or other Entity prior to the Effective Date.

Neither the exclusion or inclusion by the Debtors of any contract or lease on any exhibit, schedule, or other annex to this Plan or in the Plan Supplement, nor anything contained in this Plan, will constitute an admission by the Debtors that any such contract or lease is or is not an Executory Contract or Unexpired Lease or that the Debtors or the Reorganized Debtors or their respective Affiliates has any liability thereunder.

Except as explicitly provided in this Plan, nothing herein shall waive, excuse, limit, diminish, or otherwise alter any of the defenses, claims, Causes of Action, Avoidance Actions, Litigation Claims or other rights of the Debtors or the Reorganized Debtors under any executory or non-executory contract or unexpired or expired lease.

Nothing in this Plan will increase, augment, or add to any of the duties, obligations, responsibilities, or liabilities of the Debtors or the Reorganized Debtors, as applicable, under any executory or non-executory contract or unexpired or expired lease.

If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of its assumption under this Plan, the Debtors, with the consent of the Required Consenting Creditors (which consent shall not be unreasonably withheld), or Reorganized Debtors, as applicable, shall have forty-five (45) days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

I. Further Assurances

The Debtors or the Reorganized Debtors, as applicable, all Holders of Claims and Equity Interests receiving distributions hereunder and all other Entities shall, from time to time, prepare, execute and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of this Plan or the Confirmation Order. On or before the Effective Date, the Debtors shall File with the Bankruptcy Court all agreements and other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

J. Severability

If, prior to the Confirmation Date, any term or provision of this Plan is determined by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision will then be applicable as altered or interpreted, provided, however, that any such altered form must be consistent with, and subject to the approvals and consents as to form and substance set forth in, the Restructuring Support Agreement. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of this Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

K. Service of Documents

All notices, requests, and demands to or upon the Debtors or the Reorganized Debtors to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

(a) *If to the Debtors or Reorganized Debtors:*

True Religion Apparel, Inc.
1888 Rosecrans Avenue
Manhattan Beach, CA 90266
Telephone: (323) 266-3072
Attention: Chief Financial Officer

with copies to:

Pachulski Stang Ziehl & Jones LLP
919 North Market Street, 17th Floor
Wilmington, DE 19899-8705 (Courier 19801)
Attn: Laura Davis Jones, Esq.

(b) *If to the Consenting Creditors:*

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, NY 10036
Attn: Arik Preis, Esq.
Jason P. Rubin, Esq.
Yochun Katie Lee, Esq.

and

Ashby & Geddes
500 Delaware Avenue
P.O. Box 1150
Wilmington, DE 19899
Attn: Karen Skomorucha Owens

L. Exemption from Certain Transfer Taxes Pursuant to Section 1146(a) of the Bankruptcy Code

To the fullest extent permitted by section 1146(a) of the Bankruptcy Code, any transfer from a Debtor to a Reorganized Debtor or to any entity pursuant to, in contemplation of, or in connection with this Plan or pursuant to: (1) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest (including the New Common Shares and New Warrants) in the Debtors or the Reorganized Debtors; (2) the creation, modification, consolidation, or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (3) the making, assignment, or recording of any lease or

sublease; or (4) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, this Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to this Plan, shall not be subject to any Stamp or Similar Tax or governmental assessment in the United States, and the Confirmation Order shall direct the appropriate federal, state or local governmental officials or agents or taxing authority to forgo the collection of any such Stamp or Similar Tax or governmental assessment and to accept for filing and recordation instruments or other documents pursuant to such transfers of property without the payment of any such Stamp or Similar Tax or governmental assessment. Such exemption specifically applies, without limitation, to (i) all actions, agreements and documents necessary to evidence and implement the provisions of and the distributions to be made under this Plan, including the New ABL Facility Documents; (ii) the issuance of the Reorganized First Lien Term Loans, the New Common Shares and the New Warrants; (iii) the maintenance or creation of security or any Lien as contemplated by the New ABL Facility Documents and the Reorganized First Lien Term Loans; and (iv) assignments executed in connection with any transaction occurring under the Plan.

M. Governing Law

Except to the extent that the Bankruptcy Code, the Bankruptcy Rules or other federal law is applicable, or to the extent that an exhibit or schedule to this Plan provides otherwise, the rights and obligations arising under this Plan shall be governed by, and construed and enforced in accordance with, the laws of Delaware, without giving effect to the principles of conflicts of law of such jurisdiction; provided that corporate governance matters relating to the Debtors or Reorganized Debtors, as applicable, shall be governed by the laws of the state of organization of the applicable Debtor or Reorganized Debtor, as applicable.

N. Immediate Binding Effect

Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of this Plan and the Plan Documents shall be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, the Holders of Claims and Interests, the Released Parties, the Exculpated Parties, and each of their respective successors and assigns.

O. Tax Reporting and Compliance

The Reorganized Debtors are hereby authorized, on behalf of the Debtors, to request an expedited determination under section 505(b) of the Bankruptcy Code of the tax liability of the Debtors for all taxable periods ending after the Petition Date through, and including, the Effective Date.

P. Plan Schedules

All exhibits and schedules to this Plan, including the Exhibits and Plan Schedules, are incorporated and are a part of this Plan as if set forth in full herein.

Q. No Strict Construction

This Plan is the product of extensive discussions and negotiations between and among, *inter alia*, the Debtors, the Consenting Creditors, Equity Parent, and their respective professionals. Each of the foregoing was represented by counsel of its choice who either participated in the formulation and documentation of, or was afforded the opportunity to review

and provide comments on, this Plan, the Disclosure Statement, Exhibits and Plan Schedules, and the agreements and documents ancillary or related thereto. Accordingly, unless explicitly indicated otherwise, the general rule of contract construction known as "contra proferentem" or other rules of strict construction shall not apply to the construction or interpretation of any provision of this Plan, the Disclosure Statement, Exhibits and Plan Schedules, and the documents ancillary and related thereto.

R. Controlling Document

In the event of an inconsistency between this Plan and the Plan Supplement, the terms of the relevant document in the Plan Supplement shall control unless otherwise specified in such Plan Supplement document. In the event of an inconsistency between this Plan and any other instrument or document created or executed pursuant to this Plan, or between this Plan and the Disclosure Statement, this Plan shall control. In the event of an inconsistency between the Restructuring Support Agreement and the Plan as to consents and approval rights, and the Restructuring Support Agreement has not been terminated, then the consents and the approval rights required in the Restructuring Support Agreement shall govern. The provisions of this Plan and of the Confirmation Order shall be construed in a manner consistent with each other so as to effectuate the purposes of each; provided, however, that if there is determined to be any inconsistency between any provision of this Plan and any provision of the Confirmation Order that cannot be so reconciled, then, solely to the extent of such inconsistency, the provisions of the Confirmation Order shall govern, and any such provisions of the Confirmation Order shall be deemed a modification of this Plan.

[Remainder of Page Intentionally Blank]

Dated: July 5, 2017

Respectfully submitted,

TRUE RELIGION APPAREL, INC.

By: _____
John Ermatinger
Its: CEO and President

Respectfully submitted,

TRLG INTERMEDIATE HOLDINGS, LLC

By: _____
John Ermatinger
Its: CEO and President

Respectfully submitted,

GURU DENIM INC.

By: _____
John Ermatinger
Its: CEO and President

Respectfully submitted,

TRUE RELIGION SALES, LLC

By: _____
John Ermatinger
Its: CEO and President

Respectfully submitted,

TRLGGC SERVICES, LLC

By: _____
John Ermatinger
Its: President and CEO

[Signature Page to Debtors' Joint Chapter 11 Plan of Reorganization]

EXHIBIT 1

Term Sheet for Reorganized First Lien Term Loan Documents

REORGANIZED FIRST LIEN TERM LOAN FACILITY[1]

Borrower	Reorganized True Religion Apparel, Inc. (the "**Borrower**").
Guarantors	Reorganized TRLG Intermediate Holdings, LLC and each of the Borrower's direct and indirect wholly-owned domestic subsidiaries (collectively, the "**Guarantors**"; the Borrower and the Guarantors, collectively, the "**Loan Parties**").
Lenders	The current First Lien Lenders ($110 million) and the current unsecured creditors (including second lien lenders) ($2.5 million, subject to increase by an aggregate principal amount of $2.0 million if Class 5 votes to accept the Plan and subject to decrease by any Class 5 Swapped Debt).[2].
Collateral	The obligations of the Loan Parties in respect of the Reorganized First Lien Term Loan Facility shall be secured by (1) a first priority, perfected security interest in substantially all assets of the Loan Parties whether now existing or hereinafter acquired (other than the New Revolving Credit Facility Priority Collateral) and (2) a second priority, perfected security interest in the New Revolving Credit Facility Priority Collateral, in each case subject to exceptions to the collateral package reasonably acceptable to the Lenders.
Amount	Up to $114.5 million first lien term loan ("**Reorganized First Lien Term Loans**"), less the amount of any Class 5 Swapped Debt.[3]
Maturity	Fifth anniversary of the Effective Date (the "**Term Loan Maturity Date**").
Interest	10.0%
Voluntary Prepayments	The Reorganized First Lien Term Loans may be prepaid at any time at the option of the Borrower, upon notice and in a minimum principal amount and in multiples to be agreed upon by the Debtors and the Required Consenting Creditors, without premium or penalty.
Scheduled Amortization	[25 basis points per quarter][4]
Mandatory Prepayments	TBD
Conditions Precedent	The Reorganized First Lien Term Loan Facility shall be subject to certain conditions precedent customary for financings of this type and reasonably determined by the Required Consenting Creditors.
Representation and	The Reorganized First Lien Term Loan Facility shall contain representations and

[1] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan.

[2] If any Holder of an Allowed General Unsecured Claim is a Class 5 Electing Holder, such Holder will receive the Class 5 Warrants for Debt Treatment with respect to its Class 5 Swapped Debt. The Reorganized First Lien Term Loan Documents shall reflect the resulting reduction in the principal amount of the Reorganized First Lien Term Loan Facility.

[3] See previous footnote.

[4] May be adjusted as reasonably determined by the Debtors and the Required Consenting Creditors.

Warranties	warranties customary for financings of this type, in form and substance reasonably satisfactory to the Required Consenting Creditors.
Affirmative Covenants	The Reorganized First Lien Term Loan Facility shall contain affirmative covenants customary for financings of this type, in form and substance reasonably satisfactory to the Required Consenting Creditors.
Negative Covenants	The Reorganized First Lien Term Loan Facility shall contain negative covenants customary for financings of this type, in form and substance reasonably satisfactory to the Required Consenting Creditors.
Financial Covenants	Management and Required Consenting Creditors to discuss.[5]
Closing Date	The Effective Date.
Events of Default	The Reorganized First Lien Term Loan Credit Facility shall contain certain Events of Defaults (with grace periods and thresholds to be agreed) typical for facilities of this type, in form and substance reasonably satisfactory to the Required Consenting Creditors.
Required Lenders	"Required Lenders" shall be defined as First Lien Term Lenders holding more than 50% of the aggregate outstanding amount of Reorganized First Lien Term Loans
Governing Law and Forum	State of New York.
Documentation	The Required Consenting Creditors shall document the Reorganized First Lien Term Loan Facility with documentation consistent with this term sheet and otherwise in form and substance satisfactory to the Required Consenting Creditors.

[5] Financial covenants likely to be incurrence based covenants, not operational covenants.

EXHIBIT C

CORPORATE GOVERNANCE TERM SHEET

GOVERNANCE TERM SHEET
FOR
REORGANIZED TRLG INTERMEDIATE HOLDINGS, LLC

July 4, 2017

The following term sheet (the "**Term Sheet**") presents certain preliminary material terms in respect of the capital structure and corporate governance of Reorganized TRLG Intermediate Holdings, LLC, a Delaware limited liability company (the "**Company**") that would be reflected in the operating agreement(s) (the "**Organizational Documents**") of the Company to be entered into following the consummation of the Restructuring. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Restructuring Support Agreement to which this Term Sheet is attached.

THIS TERM SHEET IS NOT LEGALLY BINDING OR AN EXHAUSTIVE LIST OF ALL THE TERMS AND CONDITIONS IN RESPECT OF THE STRUCTURE AND GOVERNANCE OF THE COMPANY NOR DOES IT CONSTITUTE AN OFFER TO SELL OR BUY, NOR THE SOLICITATION OF AN OFFER TO SELL OR BUY, ANY SECURITIES. ANY SUCH OFFER OR SOLICITATION SHALL ONLY BE MADE IN COMPLIANCE WITH ALL APPLICABLE LAWS. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THIS TERM SHEET AND THE UNDERTAKINGS CONTEMPLATED HEREIN ARE SUBJECT IN ALL RESPECTS TO THE NEGOTIATION, EXECUTION AND DELIVERY OF DEFINITIVE DOCUMENTATION.

General:	The Company will be a Delaware limited liability company managed by a board of managers (the "**Board**"), which will be responsible for overseeing the operation of the Company's business. The Company will be managed on a day-to-day basis by its Chief Executive Officer and other senior executive officers with oversight from the Board. It is intended that the Company will be treated as a corporation for U.S. federal income tax purposes. In the event that the Company elects to be taxed as a partnership for U.S. federal income tax purposes, additional provisions customary for such tax treatment will be included in the Organizational Documents, including, but not limited to, provisions relating to maintenance of capital accounts, tax allocations and appropriate information reporting (*e.g.*, delivery of annual K-1's).
Common Shares:	The Organizational Documents will provide that the equity interests of the Company be evidenced by one class of limited liability company membership interest (each of which, a "**Common Share**" and each holder of a Common Share, a "**Holder**" and each Holder together with its Affiliates that are Holders, a "**Holder Group**"). For all purposes hereunder (unless otherwise specified), references to any percentage of Common Shares will be calculated on the basis of the then-outstanding Common Shares, without giving any effect to any dilution under (i) the Management Incentive Plan or similar management compensation arrangement or equity issuances or (ii) the Warrants (unless such Warrants have been exercised, in which case the Common Shares issued upon exercise of the Warrants shall be considered in the calculations hereunder).

Board of Managers:

The Board will be comprised of seven (7) managers. The initial managers as of the Effective Date shall be: [ ], [ ], [ ], [ ], [ ], [ ] and [ ][1]. The initial term of each manager will be through [ ], 2018[2] (the "**Initial Term**").

At each annual meeting that occurs following expiration of the Initial Term, managers will be elected as follows:

(i) One (1) manager shall be the Chief Executive Officer of the Company, so long as such person is employed as Chief Executive Officer of the Company (the "**CEO Manager**");

(ii) One (1) manager designated by funds or entities affiliated with Goldman Sachs Asset Management, L.P. ("**GSAM**") so long as GSAM holds, as of the date of such annual meeting, at least 50% of the Common Shares it held as of the Effective Date;

(iii) One (1) manager designated by funds or entities affiliated with Waddell & Reed, Inc. ("**Waddell**") so long as Waddell holds, as of the date of such annual meeting, at least 50% of the Common Shares it held as of the Effective Date;

(iv) One (1) manager designated by funds or entities affiliated with Farmstead Capital Management, LLC ("**Farmstead**") so long as Farmstead holds, as of the date of such annual meeting, at least 50% of the Common Shares it held as of the Effective Date;

(v) Three (3) managers designated by Holders of a majority of the Common Shares, which managers shall have relevant industry experience.

In the event that the applicable Holder is no longer entitled to designate a manager pursuant to clauses (ii), (iii) or (iv) above, as applicable, at an annual meeting, the applicable Holder and the Secretary of the Company shall inform the Board and thereafter, at such annual meeting, such position(s) instead shall be filled by Holders of a majority of the then-outstanding Common Shares at such annual meeting.

If the Board appoints a new Chief Executive Officer of the Company, such person will become the CEO Manager (unless otherwise determined by unanimous vote of the Board).

Majority vote of the managers present at a meeting of the Board at

[1] **NTD**: 5 managers appointed by the Ad Hoc Group, in consultation with the Chief Executive Officer (each of GSAM, Waddell and Farmstead to have right to appoint 1 each); 1 manager who is the Chief Executive Officer, Mr. John Ermatinger; and 1 manager to be appointed by TI III TRLG Holdings, LLC (the "**Sponsor**"). The manager to be appointed by the Sponsor shall be an employee of TowerBrook Capital Partners L.P. or its affiliates; to the extent such manager resigns during the Initial Term, the Sponsor shall continue to be permitted to appoint one manager during the Initial Term, who shall either be (a) an employee of TowerBrook Capital Partners L.P. or its affiliates, or (b) if not an employee of TowerBrook Capital Partners L.P. or its affiliates, reasonably acceptable to the other managers.

[2] **NTD**: To be the date that is one year from the Effective Date.

which a quorum has been established shall be required for approval of Board actions/items.

Board Replacement Rights:

Upon the resignation, removal, death or incapacity of a manager, the vacancy resulting from such resignation, removal, death or incapacity of a manager shall be filled by the Holder Group that originally designated such manager (unless no longer entitled to designate a manager pursuant hereto) or, if such manager was filled by majority vote of the Holders, by the Board, in each case to serve until the next annual meeting of the Holders (at which time the provisions set forth above shall apply). Notwithstanding the foregoing, in the case of the CEO Manager, such position will remain vacant until a new Chief Executive Officer is appointed.

For the avoidance of doubt, a manager may be removed (with or without cause) by the Holder Group that originally designated such manager (unless no longer entitled to designate a manager pursuant hereto) and, with respect to managers filled by majority vote of the Holders, by majority vote of the then-outstanding Common Shares.

Chairman of the Board:

The Chairman of the Board will be determined by a majority vote of the Board; *provided*, that such Chairman will not also serve as the Chief Executive Officer.

Board Committees:

The composition of any committee of the Board will be subject to agreement by majority vote of the Board.

Board Observers:

Each of (i) the Sponsor and (ii) any Holder Group with 5% or more of the outstanding Common Shares (calculated together with its Affiliates) shall have the right to appoint a non-voting Board observer and shall be entitled to receive all materials distributed to the Board, subject to customary exceptions.

Certain Transfer Related Provisions:

In addition to any other restrictions on Transfer of Common Shares set forth herein, the Organizational Documents will provide language to restrict any sale, exchange, assignment, pledge, encumbrance, or other transfer (each, a "**Transfer**") of Common Shares (a) that would result in any requirement to register any securities of the Company under any state or federal securities laws or regulations, (b) to a direct or indirect competitor of the Company (other than a Transfer pursuant to the drag-along rights described below) or (c) cause a loss of any accrued net operating loss tax benefits.

Common Shares shall be subject to dilution (i) as the result of awards made under a management incentive plan to be adopted by the Board in respect of the Company's management team and the Board (the "**Management Incentive Plan**"), (ii) pursuant to the issuance of Class A Warrants, Class B Warrants, Class C Warrants and Class D Warrants (collectively, the "**Warrants**") and (iii) other issuances of Common Shares not in contravention of the Organizational Documents. In any liquidation, dissolution or winding up of the Company, all available assets will be distributed to the Holders on a pro rata basis based on the

number of Common Shares held by such Holders in proportion to the aggregate number of outstanding Common Shares.

ROFR/ROFO: No rights of first refusal/rights of first offer shall be provided to any Holder.

Tag-Along Rights: If a Holder Group proposes to Transfer, to any purchaser, other than to an Affiliate of such Holder Group, in one or a series of related transactions, Common Shares representing 40% or more of the outstanding Common Shares, then the Transferring Holder Group will give written notice to the Company prior to the closing of such Transfer and each other Holder will have the right (but not the obligation) to include its Common Shares in the proposed Transfer on a pro rata basis (determined based on the relative ownership of Common Shares held by those Holders participating in the Transfer).

Drag-Along Rights: Notwithstanding anything to the contrary contained herein, until an initial public offering of the Company, Holders of 40% or more of the outstanding Common Shares shall have the right to cause (a) the Company to consummate any Transfer to any un-Affiliated person of all or substantially all of the consolidated assets of the Company, (b) all Holders to consummate a Transfer to any un-Affiliated person of all of the outstanding Common Shares of the Company or (c) the Company to consummate a merger, combination or consolidation with or into any un-Affiliated person (any such transaction, a "**Company Sale**").

The provisions relating to a Company Sale are subject to the following limitations:

(i) The Company Sale must be with a non-Affiliate of the Company and its Holders.

(ii) The consideration for the Company Sale must be cash or marketable securities.

(iii) There will be no requirement for the Holders to execute restricting agreements (for example, non-compete agreements).

(iv) Any Holder liability for representations and warranties, indemnification or expense reimbursement in connection with the Company Sale shall be on a pro rata basis based on the number of Common Shares held by such Holders in proportion to the aggregate number of outstanding Common Shares and shall, as to any Holder, be capped at the amount of proceeds received by such Holder in the applicable transaction.

Pre-Emptive Rights: Until a Qualified Public Offering occurs, if the Company issues any equity or equity-linked securities, except for Excluded Issuances, each Holder Group holding at least 5% of the outstanding Common Shares, will have a right of first refusal to purchase that amount of equity or equity-linked securities (on the same terms and conditions as the subject issuance) as would allow such Holder to maintain such Holder's

fully-diluted percentage ownership interests in the equity of the Company. In the event that a Holder does not subscribe for its pro rata share of such equity or equity-linked securities, the other subscribing Holders may subscribe for such shares on a pro rata basis based on their own subscriptions for such equity or equity-linked securities.

"**Excluded Issuances**" will include the issuance of equity or equity-linked securities (i) pursuant to or issued upon the exercise of awards granted under the Management Incentive Plan approved by the Board, (ii) issued upon the exercise of any Warrants, (iii) in consideration for certain merger, acquisition and related transactions, (iv) pursuant to conversion or exchange rights included in equity interests previously issued, (v) in connection with an equity interests split, division or dividend, (vi) as equity kickers to lenders, or (vii) pursuant to other customary or agreed upon excluded transactions, including emergency financings and public offerings.

In no event shall any Holder be required, without its consent, to participate in any issuance of debt, equity or equity-linked securities, or otherwise be subject to a mandatory capital call.

Information Rights: The Company to provide or make available to each Holder:[3]

(i) Audited consolidated annual financial statements and financial information (including an income statement, balance sheet and statement of cash flows) within 120 days after the end of each fiscal year.

(ii) Unaudited consolidated quarterly financial statements and financial information (including an income statement, balance sheet and statement of cash flows) within 60 days after the end of each of the first three fiscal quarters.

In no event will any financial information required to be furnished pursuant to this Term Sheet be required to include any information required by, or to be prepared or approved in accordance with, or otherwise be subject to, any provision of Section 404 of the Sarbanes-Oxley Act of 2002 or any rules, regulations, or accounting guidance adopted pursuant to that section.

The information in clauses (i) and (ii) above will be initially posted to an Intralinks electronic dataroom accessible by all Holders and prospective transferees who agree to a click-through confidentiality agreement.

Holders will also be entitled to quarterly Q&A conference calls with management.

Registration Rights: The Organizational Documents will provide the following registration

[3] **NTD**: Timing of delivery of financial statements to be consistent with exit financing documents.

rights:

- *Demand Registration.* At any time prior to or after a Qualified Public Offering, the Company will register all Registrable Securities requested to be registered by the Holders if the Company receives a written request from Holders holding at least 40% of the outstanding Common Shares. A "**Qualified Public Offering**" means an initial public offering of the Company's equity securities with net proceeds of $25 million or more. "**Registrable Securities**" means all Common Shares held by Holders, whether acquired on or after the date of the Organizational Documents and includes any equity securities issued by a corporation formed for the purpose of effecting the Qualified Public Offering. The demand rights will otherwise be subject to usual and customary limitations and cutbacks.

- *Piggyback Registration.* Each Holder Group that holds at least 5% of the outstanding Common Shares will have the right to include its Registrable Securities each time the Company proposes for any reason to register any of its Registrable Shares under the Securities Act. The rights to piggyback registration may be exercised an unlimited number of occasions. The rights to piggyback registration will be subject to usual and customary exceptions and limitations (including, without limitation, as to exceptions employee plan S-8 filings and acquisition transactions and as to limitations, selection of underwriters, priority and cutbacks).

- *S-3 Registration.* Following a Qualified Public Offering, any Holder Group that holds at least 10% of the outstanding Common Shares may request that the Company file a registration statement under the Securities Act on Form S-3 (or similar or successor form), covering Registrable Securities held by such Holder Group if (i) the Company is a registrant qualified to use Form S-3 to register the Registrable Shares and (ii) the plan of distribution of the Registrable Shares is other than pursuant to an underwritten public offering. Demands to register the Registrable Shares on Form S-3 will not be deemed to be demand requests (as described above) and such Holder Group will have the right to request an unlimited number of registrations on Form S-3.

- *Registration Procedures.* The registration rights provisions will also contain usual and customary provisions relating to the registration procedures to be followed by the Company, termination of registration rights, as well as indemnification obligations.

Corporate Opportunities; Fiduciary Duties: The Organizational Documents will provide, to the maximum extent permissible under applicable law, for the renunciation of the Company's interest in business opportunities that are presented to managers or Holders and the disclaimer of fiduciary duties of the

managers and Holders, in each case, other than such managers or Holders that are employees, consultants or officers of the Company (other than any Chairman of the Board that is not otherwise an employee, consultant or officer of the Company).

Affiliate Transactions: The Company will not (subject to certain limited exceptions) be permitted to enter into or make or amend any transaction with, or for the benefit of, any Affiliate or Holder of the Company unless (i) approved by a majority of the disinterested managers of the Board and must be on an arm's-length basis or (ii) approved by Holders of at least 66 2/3% of the then-outstanding Common Shares (excluding any Common Shares held by the Affiliate or Holder of the Company for whom the Affiliate transaction is being proposed).

Amendments: The Organizational Documents will not be amended, modified or waived without the approval of the Holders of a majority of the outstanding Common Shares and any amendment, modification or waiver that adversely and disproportionately affects the rights or obligations of a Holder or group of Holders without similarly and proportionally affecting the rights or obligations of all other Holders, shall not be effective as to such Holder without such Holder's (or group of Holders') prior written consent. Any modification of a Holder's (or group of Holders') manager designation rights shall require the prior written consent of such Holder (or group of Holders).

Other Terms: The Organizational Documents will also provide for other customary terms, including, without limitation, the making of distributions in respect of Common Shares (which shall in any case be ratable), the time, place and manner of calling of regular and special meetings of Holders and managers, actions may be taken by the Board or the Holders without a meeting, the titles and duties of officers of the Company and the manner of appointment, removal and replacement thereof, and indemnification and exculpation of managers, officers and other appropriate persons.

For the avoidance of doubt, the Company will not be a public reporting company as of the Effective Date.

The Company shall retain a third party provider, such as Markit, to provide a daily valuation of the Common Shares, provided that such cost does not exceed $20,000 annually.

Warrants: The Warrants shall be restricted from transfer and sale in a manner similar to the restrictions on the transfer and sale of Common Shares. As a condition to the exercise of the Warrants, a holder must execute a joinder to the Organizational Documents to the extent such holder is not already a party thereto.

Defined Terms: "**Affiliate**" means any person who directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

"**control**" means the possession, directly or indirectly, of the power to direct, or to cause the direction of, the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

EXHIBIT D

WARRANT TERM SHEETS

EXHIBIT D

WARRANT TERM SHEETS[1]

CLASS A WARRANTS

Issuer	Reorganized True Religion.
Warrants	Warrants to purchase a number of shares of New Common Shares equal to in the aggregate 2.5% of the New Common Shares outstanding on the Effective Date, calculated on a fully-diluted basis as of the Effective Date assuming full exercise of the Warrants. For the avoidance of doubt, the Warrants shall dilute the New Common Shares and the MIP.
Term	5 years from the Effective Date.
Exercise Price	The exercise price for each share of New Common Shares underlying the Class A Warrants will be initially struck at a $116.5 million equity valuation. The Class A Warrants may be exercised in cash or on a cashless basis in connection with, and at a price implied by, a sale of the Company for cash, securities or any combination thereof. No third party appraisal shall be required.
Conditions to Exercise	• Delivery of an exercise form. • Payment of the exercise price, unless such exercise is on a cashless basis; and • Execution of a Joinder to the Shareholders Agreement, to the extent not already a party thereto.
Warrant Transfer Restrictions:	All of the Class A Warrants will be restricted from transfer and sale in a similar manner as the shares of New Common Shares, in accordance with the Shareholders Agreement.
Redemption	The Class A Warrants will not be subject to redemption by Reorganized True Religion or any other person.
Documentation	All definitive documentation concerning the Class A Warrants, including the Class A Warrant Agreement, shall be in form and substance consistent with this term sheet and otherwise satisfactory to the Ad Hoc Group.

[1] Capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Plan.

CLASS B WARRANTS

Issuer	Reorganized True Religion.
Warrants	Warrants to purchase a number of shares of New Common Shares equal to in the aggregate 7.5% of the New Common Shares outstanding on the Effective Date, calculated on a fully-diluted basis as of the Effective Date assuming full exercise of the Warrants. For the avoidance of doubt, the Warrants shall dilute the New Common Shares and the MIP.
Term	5 years from the Effective Date.
Exercise Price	The exercise price for each share of New Common Shares underlying the Class B Warrants will be initially struck at a $116.5 million equity valuation. The Class B Warrants may be exercised in cash or on a cashless basis in connection with, and at a price implied by, a sale of the Company for cash, securities or any combination thereof. No third party appraisal shall be required.
Catchup	If at any time the aggregate realizations on New Common Shares by the holders thereof, whether in the form of dividends, distributions, stock repurchases, merger consideration or otherwise (other than by way of a sale to a person other than Reorganized True Religion) ("**Realizations**") reach $116.5 million, holders of the Class B Warrants shall thereafter be entitled to payment of their ratable share of the First Catchup Amount prior to any further Realizations by holders of the New Common Shares. "**First Catchup Amount**" shall mean up to approximately $9.3 million. The entitlement to the "First Catchup Amount" set forth above shall only be available in the event of Realizations and not in any other circumstances, including, without limitation, any "valuation" performed by any party or advisor or bank.
Conditions to Exercise	• Delivery of an exercise form. • Payment of the exercise price, unless such exercise is on a cashless basis; and • Execution of a Joinder to the Shareholders Agreement, to the extent not already a party thereto.
Warrant Transfer Restrictions:	All of the Class B Warrants will be restricted from transfer and sale in a similar manner as the shares of New Common Shares, in accordance with the Shareholders Agreement.
Redemption	The Class B Warrants will not be subject to redemption by Reorganized True Religion or any other person.
Documentation	All definitive documentation concerning the Class B Warrants, including the Class B Warrant Agreement, shall be consistent with this term sheet and otherwise in form and substance reasonably satisfactory to the Ad Hoc Group and the Sponsor.

CLASS C WARRANTS

Issuer	Reorganized True Religion.
Warrants	Warrants to purchase a number of shares of New Common Shares equal to in the aggregate 10.0% of the New Common Shares outstanding on the Effective Date, calculated on a fully-diluted basis as of the Effective Date assuming full exercise of the Warrants. For the avoidance of doubt, the Warrants shall dilute the New Common Shares and the MIP.
Term	5 years from the Effective Date.
Exercise Price	The exercise price for each share of New Common Shares underlying the Class C Warrants will be initially struck at a $216.5 million equity valuation. The Class C Warrants may be exercised in cash or on a cashless basis in connection with, and at a price implied by, a sale of the Company for cash, securities or any combination thereof. No third party appraisal shall be required.
Catchup	If at any time the aggregate realizations on New Common Shares by the holders thereof, whether in the form of dividends, distributions, stock repurchases, merger consideration or otherwise (other than by way of sale to a person other than Reorganized True Religion) ("**Realizations**") reach $216.5 million, holders of the Class C Warrants shall thereafter be entitled to payment of their ratable share of the Second Catchup Amount prior to any further Realizations by holders of the New Common Shares. "**Second Catchup Amount**" shall mean up to approximately $24.1 million. The entitlement to the "Second Catchup Amount" set forth above shall only be available in the event of Realizations and not in any other circumstances, including, without limitation, any "valuation" performed by any party or advisor or bank.
Conditions to Exercise	• Delivery of an exercise form. • Payment of the exercise price, unless such exercise is on a cashless basis; and • Execution of a Joinder to the Shareholders Agreement, to the extent not already a party thereto.
Warrant Transfer Restrictions:	All of the Class C Warrants will be restricted from transfer and sale in a similar manner as the shares of New Common Shares, in accordance with the Shareholders Agreement.
Redemption	The Class C Warrants will not be subject to redemption by Reorganized True Religion or any other person.
Documentation	All definitive documentation concerning the Class C Warrants, including the Class C Warrant Agreement, shall be consistent with this term sheet and otherwise in form and substance reasonably satisfactory to the Ad Hoc Group and the Sponsor.

CLASS D WARRANTS

Issuer	Reorganized True Religion.
Warrants	Warrants to purchase a number of shares of New Common Shares equal to in the aggregate 1% of the New Common Shares for each $300,000 of Swapped Debt, calculated on a fully-diluted basis as of the Effective Date assuming full exercise of the Warrants. For the avoidance of doubt, the Warrants shall dilute the New Common Shares and the MIP.
Term	5 years from the Effective Date.
Exercise Price	The exercise price for each share of New Common Shares underlying the Class A Warrants will be initially struck at a $330.0 million equity valuation. The Class D Warrants may be exercised in cash or on a cashless basis in connection with, and at a price implied by, a sale of the Company for cash, securities or any combination thereof. No third party appraisal shall be required.
Conditions to Exercise	• Delivery of an exercise form. • Payment of the exercise price, unless such exercise is on a cashless basis; and • Execution of a Joinder to the Shareholders Agreement, to the extent not already a party thereto.
Warrant Transfer Restrictions:	All of the Class D Warrants will be restricted from transfer and sale in a similar manner as the shares of New Common Shares, in accordance with the Shareholders Agreement, which shall be in form and substance satisfactory to the Ad Hoc Group in its sole discretion.
Redemption	The Class D Warrants will not be subject to redemption by Reorganized True Religion or any other person.
Documentation	All definitive documentation concerning the Class D Warrants, including the Class D Warrant Agreement, shall be consistent with this term sheet and otherwise in form and substance satisfactory to the Ad Hoc Group.

EXHIBIT E

EXIT FACILITY

CITIZENS BANK, N.A.
28 State Street
Boston, MA 02109

July 4, 2017

True Religion Apparel, Inc.
1888 Rosecrans Avenue
Manhattan Beach, CA 90266
Attention: Dali Snyder, Chief Financial Officer

True Religion
Commitment Letter

Ladies and Gentlemen:

True Religion Apparel, Inc., a Delaware corporation (the "***Company***" or "***you***"), in connection with the Company's and certain of its affiliates' and subsidiaries' filing of petitions for relief (collectively, the "***Chapter 11 Cases***") under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101, et seq. (the "***Bankruptcy Code***") have requested that Citizens Bank, N.A. ("***Citizens***", and collectively with the other Commitment Parties appointed as described below, the "***Commitment Parties***") provide the Company with a $60 million senior secured asset-based revolving credit facility (the "***Exit Facility***") in connection with the emergence of the Company and certain of its affiliates (the "***Debtors***", including, any entity formed to hold any newly issued equity in respect of the Company or any assets transferred from the Company upon its emergence from bankruptcy) from the Chapter 11 Cases, on the terms and conditions set forth herein and in the attached Summary of Indicative Terms and Conditions attached hereto as Exhibit A (the "***Exit Facility Term Sheet***"). The Debtors' emergence from bankruptcy will be pursuant to a plan of reorganization in form and substance satisfactory to Citizens to be approved by the United States Bankruptcy Court for the District of Delaware (the "***Court***") (the "***Approved Plan***"), which shall provide for, among other things, refinancing in full in cash of the $60,000,000 senior secured super priority debtor-in-possession asset-based revolving credit facility (the "***DIP Facility***"), dated as of on or about July 7, 2017. For the avoidance of doubt, (a) prior to the date of the Bankruptcy Court hearing with regard to the Debtors' assumption of this commitment letter, we will inform (the "***Approved Plan Citizens Confirmation***") the Debtors whether the plan of reorganization on file with the Bankruptcy Court at that time (as maybe amended, supplemented, or modified prior to that date) is an "Approved Plan" for purposes of this letter; if we fail to provide the Approved Plan Citizens Confirmation prior to such date, the Debtors shall not be required to seek approval of the assumption of this commitment letter; and (b) subject to final review of all documents, it is Citizens' current intention to provide the Approved Plan Citizens Confirmation prior to such date. The confirmation of the Approved Plan and the entering into, and funding of, the Exit Facility and all related transactions are referred to hereinafter, collectively, as the "***Exit Transaction***". The documentation related to the Exit Facility shall be referred to hereinafter as

the "***Exit Facility Documentation***". Capitalized terms used in this letter but not defined herein shall have the meanings given to them in the Exit Facility Term Sheet.

1. Commitments.

In connection with the Chapter 11 Cases, Citizens is pleased to advise you of its commitment to provide 100% of the Exit Facility, upon the terms and conditions expressly set forth herein and in the Exit Facility Term Sheet and the Fee Letter (as defined below). The Exit Facility Term Sheet together with this letter, hereinafter are referred to as the "***Commitment Letter***").

2. Titles and Roles.

It is agreed that:

(a) Citizens will act as sole lead arranger (in such capacity, the "***Lead Arranger***") and as sole lead bookrunner for the Exit Facility; and

(b) Citizens will act as sole administrative agent for the Exit Facility (in such capacity, the "***Administrative Agent***").

It is further agreed that Citizens will have "lead left" placement in any marketing materials or other documentation for the Exit Facility, and will hold the roles and responsibilities customarily understood to be associated with such name placement.

Citizens may, in its sole discretion (but at no additional cost to the Debtors), appoint additional agents, co-agents, arrangers, bookrunners or managers and award other titles to other lenders participating in the Exit Facility and you agree that, except as may be approved by Citizens, you shall not appoint any additional agents, co-agents, arrangers, bookrunners or managers or award other titles or pay any compensation (other than as expressly contemplated by this Commitment Letter and the related fee letter of even date herewith to be executed by you and us (the "***Fee Letter***")) to any lender in order to obtain its commitment in respect of the Exit Facility unless you and Citizens shall so agree.

3. Information.

You hereby represent and warrant (with respect to such information relating to the Company and its subsidiaries prior to the closing date of the Exit Facility (the "***Exit Closing Date***"), to your knowledge) that (a) all written information other than financial estimates, forecasts and other forward-looking information (collectively, the "***Projections***") and other than information of a general economic or general industry nature, that has been or will be made available to any of the Commitment Parties by you or any of your or its respective representatives on your behalf in connection with the transactions contemplated hereby (the "***Information***"), taken as a whole, does not or will not, when furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made (after giving effect to all supplements and updates thereto) and (b) the Projections that have been or will be made available to the Lead Arranger by you or any of your

or its respective representatives on your behalf in connection with the transactions contemplated hereby have been or will be prepared in good faith based upon assumptions that are believed by you to be reasonable at the time made; it being understood that any such Projections are not to be viewed as facts, are subject to significant uncertainties and contingencies, many of which are beyond your control, that no assurance can be given that any particular Projections will be realized, that actual results may differ and that such differences may be material. You agree that, if at any time prior to the Exit Closing Date, you become aware that any of the representations and warranties in the preceding sentence would be incorrect in any material respect if the Information and Projections were being furnished, and such representations and warranties were being made, at such time, then you will (prior to the Exit Facility Date with respect to Information and Projections relating to the Company and its subsidiaries) use commercially reasonable efforts to promptly supplement the Information and the Projections from time to time until the Exit Facility Date so that such representations and warranties will be correct in all material respects under those circumstances. In arranging and syndicating the Exit Facility, the Lead Arranger will be entitled to use and rely on the Information and the Projections without responsibility for independent verification thereof and does not assume responsibility for the accuracy or completeness of the Information or the Projections.

4. Fees.

As consideration for the commitments of Citizens hereunder and the Administrative Agent's and the Lead Arranger's agreement to perform the services described herein, you agree to pay (or cause to be paid) the fees set forth in the Fee Letter on the terms and subject to the conditions (including as to timing and amount) set forth therein. Once paid, such fees shall not be refundable under any circumstances, except as otherwise contemplated herein or by the Fee Letter or as otherwise separately agreed to in writing by you and us.

5. Conditions Precedent.

The commitment of Citizens hereunder and the undertaking of Citizens to provide the Exit Facility are subject to the satisfaction of the terms and conditions set forth in the Exit Facility Term Sheet and each of the following conditions precedent in a manner acceptable to Citizens: (a) the Administrative Agent's reasonable satisfaction with the approval by the Court of (i) the Exit Facility, the Exit Transaction and the transactions contemplated thereby and (ii) all actions to be taken, undertakings to be made and obligations to be incurred by the Borrower and Guarantors in connection with the Exit Facility, the Exit Transaction and the transactions contemplated thereby (all such approvals to be evidenced by the entry of one or more orders of the Court (not later than the date set forth in the final paragraph of this Commitment Letter) reasonably satisfactory in form and substance to the Administrative Agent and the Lead Arranger, which orders shall, among other things, approve and confirm (x) the payment by the Debtors of all of the fees that are provided for in this Commitment Letter and the Fee Letter and (y) the other terms of this Commitment Letter and the Fee Letter, and which order(s) shall, for the avoidance of any doubt, specifically provide that the right to receive all amounts due and owing to each of the Agent and the Lead Arranger, including indemnification obligations, the fees as set forth herein and in the Fee Letter and reimbursement of all reasonable costs and expenses incurred in connection with the transactions contemplated herein and as set forth herein and in the Fee Letter, shall be entitled to priority as administrative expense claims under Sections

503(b) and 507(a)(1) of the Bankruptcy Code, regardless of whether the Closing Date occurs); (b) the accuracy and completeness in all material respects of all representations that you and your affiliates make to Citizens and your compliance with the terms of this Commitment Letter and the Fee Letter (as hereinafter defined); (c) prior to and during the syndication of the Exit Facility there shall be no competing offering, placement or arrangement of any debt securities or bank financing by or on behalf the Debtors or any of their respective subsidiaries (other than the Reorganized First Lien Term Loans (as defined in the Term Sheet)); (d) Citizens not having become aware of any information not previously disclosed to Citizens that Citizens reasonably believes to be materially and adversely inconsistent with the information regarding the business, condition (financial or otherwise), operations or assets of the Debtors provided to Citizens prior to the date hereof; and (e) the review and reasonable satisfaction by Citizens with (x) to the extent not specifically described in the Approved Plan or otherwise provided to Citizens prior to the date hereof, the terms of the restructuring of the Debtors and their affiliates (including, without limitation, changes to the current composition the persons acting in the capacities of chief executive officer, chief financial officer and chief operating officer of the Debtors and the capital and tax structure of the Company, the Guarantors and their subsidiaries) and (y) the terms and conditions of all other material transactions and documentation entered into in connection with the consummation of such Approved Plan, all as more specifically described in the Exit Facility Term Sheet.

6. Indemnification; Expenses.

You agree (a) to indemnify and hold harmless each of the Commitment Parties, their respective affiliates and controlling persons and the respective officers, directors, members, partners, employees, advisors, agents and representatives of each of the foregoing and their successors and permitted assigns (each, an "***Indemnified Person***") from and against any and all losses, claims, damages, liabilities and out-of-pocket expenses, joint or several, to which any such Indemnified Person may become subject arising out of, resulting from or in connection with any actual or threatened claim, dispute, litigation, investigation or proceeding relating to this Commitment Letter, the Fee Letter, the Exit Facility or the use of proceeds thereof (any of the foregoing, an "***Action***"), regardless of whether any such Indemnified Person is a party thereto, whether or not such Action is brought by you, your equity holders, affiliates, creditors or any other person, and to reimburse each such Indemnified Person within 30 days after receipt of a written request together with reasonably detailed backup documentation for any reasonable out-of-pocket legal and other reasonable out-of-pocket expenses incurred in connection with investigating, preparing to defend or defending, or providing evidence in or preparing to serve or serving as a witness with respect to, any of the foregoing; *provided*, that the foregoing indemnity will not, as to any Indemnified Person, apply to losses, claims, damages, liabilities or expenses (i) to the extent resulting from the willful misconduct, bad faith or gross negligence of such Indemnified Person or any of its Related Indemnified Persons (as defined below) (as determined by a court of competent jurisdiction in a final non-appealable judgment), (ii) to the extent resulting from any intentional material breach of such Indemnified Person's obligations under this Commitment Letter or (iii) to the extent arising from any dispute solely among Indemnified Persons other than any claims against any Commitment Party in its capacity or in fulfilling its role as an Administrative Agent or arranger or any similar role under any Facility and other than any claims arising out of any act or omission on the part of you or your affiliates (as determined by a court of competent jurisdiction in a final non-appealable judgment), and (b) to reimburse the

Commitment Parties and each of their respective affiliates from time to time, upon presentation of a summary statement for all reasonable and documented out-of-pocket expenses (including but not limited to out-of-pocket expenses of the Commitment Parties' due diligence investigation, field examinations and collateral appraisal expenses, travel expenses and reasonable fees, disbursements and other charges of one primary counsel to the Lead Arranger and the Agent (and any local or special counsel to the Lead Arranger and the Agent), in each case incurred in connection with the Exit Facility and the preparation of this Commitment Letter, the Fee Letter, the Exit Facility Documentation and any security arrangements in connection therewith (such expenses in this clause (b), collectively, the "***Expenses***"), in each case, whether or not the Exit Closing Date occurs. Notwithstanding any other provision of this Commitment Letter, (i) no Indemnified Person or any other party hereto shall be liable for any damages arising from the use by others of information or other materials obtained through electronic, telecommunications or other information transmission systems, except to the extent such damages are found in a final non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct, bad faith or gross negligence of such Indemnified Person, any Related Indemnified Person or such other party hereto, as applicable, and (ii) neither (x) any Indemnified Person or any of its Related Indemnified Persons, nor (y) you (or any of your subsidiaries or affiliates) or the Company (or any of its subsidiaries or affiliates) shall be liable for any indirect, special, punitive or consequential damages (with respect to you in the case of this clause (y), other than pursuant to the indemnification provisions of this Commitment Letter in respect of any such damages incurred or paid by an Indemnified Person to a third party) in connection with this Commitment Letter, the Fee Letter, the Exit Facility, or with respect to any activities related to the Exit Facility. You shall not, without the prior written consent of the affected Indemnified Person (which consent shall not be unreasonably withheld, delayed or conditioned), effect any settlement of any pending or threatened Action against such Indemnified Person in respect of which indemnity has been sought hereunder by such Indemnified Person unless (i) such settlement includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such proceeding and (ii) does not include any statement as to any admission.

For purposes hereof, a "***Related Indemnified Person***" of an Indemnified Person means (1) any affiliate or controlling person of such Indemnified Person, (2) the respective directors, officers, or employees of such Indemnified Person or any of its affiliates or controlling persons and (3) the respective agents or representatives of such Indemnified Person or any of its affiliates or controlling persons, in the case of this clause (3), acting on behalf of or at the instructions of such Indemnified Person, affiliate or controlling person.

7. Sharing Information; Absence of Fiduciary Relationship; Affiliate Activities.

You acknowledge that the Commitment Parties and their affiliates may be providing debt financing, equity capital or other services (including without limitation investment banking and financial advisory services, securities trading, hedging, financing and brokerage activities and financial planning and benefits counseling) to other companies in respect of which you or the Company may have conflicting interests. We will not furnish confidential information obtained from or on behalf of you or the Company by virtue of the transactions contemplated by this Commitment Letter or our other relationships with you or the Company to other companies (except as contemplated below in Section 11). You also acknowledge that we do not have any

obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you or the Company, confidential information obtained by us or any of our respective affiliates from other companies.

You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and your affiliates and the Commitment Parties and/or their affiliates is intended to be or has been created in respect of any of the transactions contemplated by this Commitment Letter, irrespective of whether the Commitment Parties or their respective affiliates have advised or are advising you on other matters, (b) the Commitment Parties, on the one hand, and you, on the other hand, have an arm's-length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on the part of the Commitment Parties or any of their affiliates and you waive, to the fullest extent permitted by law, any claims you may have against us for breach of fiduciary duty or alleged breach of fiduciary duty in connection with the Exit Facility and agree that we and our affiliates will have no liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on your behalf, including equity holders, employees or creditors, (c) you are capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter, (d) you have been advised that the Commitment Parties and their affiliates are engaged in a broad range of transactions that may involve interests that differ from your and your affiliates' interests and that the Commitment Parties have no obligation to disclose such interests and transactions to you or your affiliates, (e) you have consulted your own legal, accounting, regulatory and tax advisors to the extent you have deemed appropriate and (f) each Commitment Party has been, is and will be acting solely as a principal and, except as otherwise expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary for you, any of your affiliates or any other person or entity. In addition, the Commitment Parties may employ the services of their respective affiliates in providing certain services hereunder and may exchange with such affiliates in connection therewith information concerning you and the Company, and such affiliates shall be entitled to the benefits afforded to, and be subject to the obligations of, the Commitment Parties under this Commitment Letter. You acknowledge and agree that we have not provided you with legal, tax or accounting advice and that you have obtained such independent advice from your own advisors, representatives and agents.

You further acknowledge that each Commitment Party and/or its affiliates is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, each Commitment Party may provide investment banking and other financial services to, and/or acquire, hold or sell, for its own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, you, the Company and your and their respective subsidiaries and affiliates and other companies with which you, the Company and your and their respective subsidiaries may have commercial or other relationships. With respect to any securities and/or financial instruments so held by the Commitment Parties, their affiliates or any of their respective customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion and without any liability to you, the Company or any of your or their respective subsidiaries or affiliates.

8. Assignments; Amendments; Governing Law, Etc.

This Commitment Letter and the commitments hereunder shall not be assignable by any party hereto without the prior written consent of each other party hereto (and any attempted assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto (and Indemnified Persons), is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons) and is not intended to create a fiduciary relationship among the parties hereto. Any and all services to be provided by the Commitment Parties hereunder may be performed by or through any of their respective affiliates or branches. This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by the Commitment Parties and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile transmission or by ".pdf" or similar electronic transmission shall be effective as delivery of a manually executed counterpart hereof. Section headings used herein are for convenience of reference only, are not part of this Commitment Letter and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter. This Commitment Letter, together with the Fee Letter, supersedes all prior understandings, whether written or oral, among us with respect to the Exit Facility and sets forth the entire understanding of the parties hereto with respect thereto. THIS COMMITMENT LETTER, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS COMMITMENT LETTER, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

9. WAIVER OF JURY TRIAL.

EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM (WHETHER BASED UPON CONTRACT, TORT OR OTHERWISE) BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER, THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.

10. Jurisdiction.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of the Court, as to any action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby, or for recognition or enforcement of any judgment, and agrees that all claims in respect of any such action or proceeding may be heard and determined in the Court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby in the Court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in the Court and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other

jurisdictions by suit on the judgment or in any other manner provided by law. Service of any process, summons, notice or document by registered mail or overnight courier addressed to any of the parties hereto at the addresses set forth above shall be effective service of process against such party for any suit, action or proceeding brought in any such court.

11. Confidentiality.

This Commitment Letter is delivered to you on the understanding that none of this Commitment Letter or the Fee Letter or their terms or substance shall be disclosed, directly or indirectly, to any other person or entity (including other lenders, underwriters, placement agents, advisors or any similar persons) except (a) to your respective officers, directors, employees, affiliates, members, partners, stockholders, existing secured creditors (and their agents, attorneys and advisors), attorneys, accountants, agents and advisors on a confidential and need-to-know basis, (b) if the Commitment Parties consent to such proposed disclosure, (c) this Commitment Letter (but not the Fee Letter) may be disclosed as may be required by the rules, regulations, schedules and forms of the Securities and Exchange Commission (the "***SEC***") in connection with any filings with the Court or the SEC in connection with the Exit Facility (in which case you agree to inform us promptly thereof to the extent lawfully permitted to do so) or (d) pursuant to the order of any court or administrative agency in any pending legal or administrative proceeding, or otherwise as required by applicable law, regulation, compulsory legal process or as requested by a governmental authority (in which case you agree to inform us promptly thereof and to cooperate reasonably with us to prevent or limit such disclosure, in each case to the extent practicable and so long as you are lawfully permitted to do so); *provided* that (i) in connection with the Exit Facility, you may disclose this Commitment Letter and the contents thereof and, on a redacted basis in a manner reasonably acceptable to the Commitment Parties, the Fee Letter and the contents thereof to (x) the Company and its officers, directors, employees, attorneys, accountants, agents and advisors, on a confidential basis and (y) the direct or indirect equity holders of the Company and its respective officers, directors, employees, affiliates, members, partners, stockholders, attorneys, accountants, agents and advisors, on a confidential basis, (ii) you may disclose the aggregate fee amounts (including upfront fees and original issue discount) payable under the Fee Letter as part of generic disclosure regarding sources and uses (but without disclosing any specific fees or other economic terms set forth therein) as part of a disclosure of overall transaction fees and expenses (not limited to fees associated with the Exit Facility) to the Company and its subsidiaries and their respective equity holders, existing secured creditors (and their agents, attorneys and advisors), officers, directors, employees, attorneys, accountants, agents and advisors, and (iii) you may disclose to the Company's auditors the Fee Letter and the contents thereof after the Exit Closing Date for customary accounting purposes, including accounting for deferred financing costs; *provided, further*, that the foregoing restrictions shall cease to apply in respect of the existence and contents of this Commitment Letter (but not in respect of the Fee Letter and its fees and substance) on the date that is two years following the termination of this Commitment Letter in accordance with its terms.

Each Commitment Party, on behalf of itself and its affiliates, agrees that it shall treat confidentially all information provided to it or its affiliates by you or on your behalf hereunder and the terms and contents of this Commitment Letter, the Fee Letter and the Exit Facility Documentation and shall not publish, disclose or otherwise divulge such information; *provided* that nothing herein shall prevent a Commitment Party or its affiliates from disclosing any such

information (a) pursuant to the order of any court or administrative agency or otherwise as required by applicable law, regulation, compulsory legal process or as requested by a governmental authority (in which case such Commitment Party, to the extent practicable and so long as the same is permitted by law and except in connection with any order or request as part of a regulatory examination or audit, agrees to inform you promptly thereof), (b) upon the request or demand of any regulatory authority having jurisdiction over such Commitment Party or any of its affiliates (in which case such Commitment Party agrees to inform you promptly thereof prior to such disclosure to the extent practicable, unless such Commitment Party is prohibited by applicable law from so informing you, or except in connection with any request as part of a regulatory examination or audit), (c) to the extent that such information becomes publicly available other than by reason of disclosure by such Commitment Party or any of its affiliates in violation of this paragraph, (d) to the extent that such information is received by such Commitment Party from a third party that is not to such Commitment Party's knowledge in breach of related confidentiality obligations to you or the Company, (e) to the extent that such information is independently developed by such Commitment Party or its affiliates, in each case, so long as not based on information obtained in a manner that would otherwise violate this provision, (f) to such Commitment Party's affiliates and its and their officers, directors, employees, legal counsel, independent auditors and other experts, professionals, advisors or agents (collectively, the "***Representatives***") who are informed of the confidential nature of such information, (g) to prospective Lenders, participants or assignees or any potential counterparty to any swap or derivative transaction relating to the Company or any of its subsidiaries or any of their respective obligations (in each case, other than a Disqualified Institution); *provided* that such disclosure shall be made subject to the acknowledgment and acceptance by such prospective Lender, participant, assignee or counterparty, on behalf of itself and its Representatives, that such information is being disseminated on a confidential basis (on substantially the terms set forth in this paragraph or as is otherwise reasonably acceptable to you and the Commitment Parties) in accordance with market standards for dissemination of such type of information which, in the case of any electronic access, shall in any event require "click through" or other affirmative action on the part of the recipient to access such confidential information, (h) for purposes of establishing a "due diligence" defense, (i) to the members of the ad hoc group of unaffiliated Prepetition First Lien Lenders[1] and the Prepetition Second Lien Lenders[2] represented by Akin Gump Strauss Hauer & Feld LLP (the "***Ad Hoc Group***") and their agents, attorneys and advisors or (j) with your prior written consent. In addition, each Commitment Party may disclose the existence of the Exit Facility and the information about the Exit Facility to market data collectors, similar service providers to the lending industry and service providers to the Commitment Parties in connection with the administration and management of the Exit Facility. Each Commitment Party's obligations under this paragraph shall automatically terminate and be superseded by the confidentiality provisions in the definitive

[1] "***Prepetition First Lien Lenders***" means the lenders from time to time under that certain First Lien Credit Agreement, dated as of July 30, 2013 (as amended, restated, supplemented or otherwise modified heretofore), among Holdings, True Religion Apparel, Inc., the lenders party thereto from time to time, and Deutsche Bank AG New York Branch, as administrative agent.

[2] "***Prepetition Second Lien Lenders***" means the lenders from time to time under that certain Second Lien Credit Agreement, dated as of July 30, 2013 (as amended, restated, supplemented or otherwise modified heretofore), among Holdings, True Religion Apparel, Inc., the lenders party thereto from time to time, and Deutsche Bank AG New York Branch, as administrative agent.

documentation relating to the Exit Facility upon the execution and delivery of the definitive documentation therefor and in any event shall terminate two years from the date hereof.

12. Surviving Provisions.

The provisions of this Section 12 and the indemnification, expenses, confidentiality, jurisdiction, service of process, venue, governing law, absence of advisory or fiduciary duty and waiver of jury trial, and information provisions contained herein, administrative fees and governing law provisions contained in the Fee Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and notwithstanding the termination of this Commitment Letter or Citizens' commitments hereunder and the Lead Arranger's agreements to provide the services described herein; *provided* that your obligations under this Commitment Letter, other than those relating to confidentiality, and information, shall automatically terminate and, to the extent covered thereby, be superseded by the definitive documentation relating to the Exit Facility upon the funding under such Facility, and you shall be released from all liability in connection therewith at such time. You may terminate this Commitment Letter at any time subject to the provisions of the preceding sentence. Nothing in this Agreement shall prevent the Company from taking or failing to take any action that it determines, based on the reasonable advice of its legal counsel, it is obligated to take in the performance of its statutory, contractual or fiduciary duties or as otherwise required by the Bankruptcy Code or applicable law; provided, however that it is agreed that Citizens may, at its option, terminate this Commitment Letter and the commitments and undertakings of Citizens hereunder as a result of any such actions (or inactions).

13. Patriot Act Notification.

We hereby notify you that pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (as amended, the "***Patriot Act***"), each Commitment Party and each Lender is required to obtain, verify and record information that identifies the Company and each Guarantor, which information includes the name, address, tax identification number and other information regarding the Company and each such Guarantor that will allow such Commitment Party or such Lender to identify the Company and each such Guarantor in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act and is effective as to the Commitment Parties and each Lender.

14. Acceptance and Termination.

If the foregoing correctly sets forth our agreement, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to the Lead Arranger executed counterparts hereof and of the Fee Letter, not later than 11:59 p.m., New York City time, on July 4, 2017. Each Commitment Party's respective commitments hereunder and agreements contained herein will be effective only upon execution and delivery hereof and of the Fee Letter by you and us in accordance with this paragraph, and will expire at such time in the event that the Lead Arranger have not received such executed counterparts in accordance with the immediately preceding sentence; provided, however, that this Commitment Letter and all commitments and undertakings of Citizens hereunder will automatically expire if this Commitment Letter and the Fee Letter have not been approved by a final order of the Court by

5:00 p.m. (New York City time) on August 4, 2017 (it being agreed that each party hereto shall use its reasonable best efforts to seek Court approval as soon as practicable prior thereto and shall not encourage or assist the submission or development of an alternative transaction whether relating to the sale or issuance of any debt or security or the acquisition, sale or lease or other disposition of the Debtors of any material assets or equity of the Debtors). Thereafter, this Commitment Letter and the commitments and undertakings of the Agent hereunder shall automatically terminate upon the earliest of (a) 5:00 p.m. (New York City time) on December 1, 2017, unless Citizens shall, in its discretion, agree to an extension hereof or the Exit Closing Date occurs on or prior thereto, (b) the consummation of the Approved Plan, (c) five (5) business days after the Petition Date in the event that the DIP Credit Facility is not closed and funded prior to such date, (d) a sale of all or a substantial portion of the assets of the Debtors, (e) a refinancing or all or any part of the DIP Credit Facility and (f) the consummation of a plan of reorganization without the use of the Exit Facility. In consideration of the time and resources that the Agent and the Lead Arranger will devote to the Exit Facility, but subject to the last sentence of paragraph 12 above, you agree that, until such expiration, you will not, and will cause the Debtors, the Borrower, the Guarantors or their affiliates not to, solicit, initiate, entertain or permit, or enter into any discussions in respect of, any offering, placement or arrangement of any competing senior credit facility or facilities for the Borrower and its subsidiaries with respect to the matters addressed in this Commitment Letter.

[*Remainder of this page intentionally left blank*]

We look forward to working with you on this important transaction.

Very truly yours,

CITIZENS BANK, N.A.

By _____
Name:
Title:

Accepted and agreed to as of
the date first above written:

TRUE RELIGION APPAREL, INC.

By _____
Name:
Title:

Exhibit A

Exit Facility Term Sheet

EXHIBIT A

SUMMARY OF INDICATIVE TERMS AND CONDITIONS
("EXIT FACILITY TERM SHEET")
$60,000,000 SENIOR CREDIT FACILITY
(EXIT FACILITY)

Capitalized terms not otherwise defined herein have the same meanings as specified therefor in the Commitment Letter to which this Exhibit A is attached.

BORROWER:	True Religion Apparel, Inc., a Delaware corporation (the "***Company***") and/or any entity formed to hold any newly issued equity in respect of the Debtors or any assets transferred from the Company upon its emergence from bankruptcy (the "***Borrower***").
GUARANTORS:	The obligations of the Borrower and its subsidiaries and affiliates under the Senior Credit Facility (as defined below) and under any treasury management, bank products, interest protection or other hedging arrangements entered into with a Lender (or any affiliate thereof) will be guaranteed by TRLG Intermediate Holdings, LLC, a Delaware limited liability company that is the direct parent of the Borrower ("***Holdings***"), and each existing and future direct and indirect domestic subsidiary of the Borrower (collectively, the "***Guarantors***", and together with the Borrower, the "***Loan Parties***"). Notwithstanding the foregoing, the guaranty requirements will be subject to customary exceptions to be agreed. All guarantees will be guarantees of payment and not of collection.
ADMINISTRATIVE AGENT:	Citizens Bank, N.A. ("***Citizens***") will act as sole administrative agent (in such capacity, the "***Administrative Agent***").
LEAD ARRANGER AND BOOKRUNNER:	Citizens will act as a lead arranger and bookrunner (in such capacities, the "***Lead Arranger***").
LENDERS:	A group of lenders arranged by the Lead Arranger (collectively, the "***Lenders***").
SENIOR CREDIT FACILITY:	Subject to the terms under the heading "Borrowing Base," a $60 million revolving credit facility (the "***Senior Credit Facility***") available from time to time until the fifth anniversary of the Exit Closing Date, which will include a $20 million sublimit for the issuance of letters of credit (the "***Letters of Credit***"). Letters of Credit will be issued by Citizens (in such capacity, the "***L/C Issuer***"). Each of the Lenders under the Senior Credit Facility will purchase an irrevocable and unconditional participation in each Letter of Credit.
INCREASE OPTION:	The Senior Credit Facility will include an accordion feature permitting the Borrower to request an increase in the Senior Credit Facility after the

Exit Closing Date by an additional amount (for all such increases in the Senior Credit Facility) of up to $15,000,000 in the form of additional revolving loans or term loans; provided that any such request shall be in increments of $1,000,000 (collectively, the "Increase Option"). Such increases may be effected from time to time after the Exit Closing Date subject to customary terms and conditions (including, without limitation, delivery of customary documentation reflecting corporate action by the Borrower and the Guarantors approving of such increase) and provided that (i) no default or event of default shall exist at the time of any such increase or immediately after giving effect to such increase, and (ii) the Administrative Agent shall have received a certificate, in form and substance reasonably satisfactory to the Administrative Agent, of the Borrower setting forth calculations demonstrating that, after giving effect to any such increase (determined as if the entire amount of such increase is fully-funded), the Borrower and its subsidiaries shall be in compliance on a pro forma basis with its financial covenants under the definitive documentation for the Senior Credit Facility.

Any such increase in the Senior Credit Facility pursuant to an increase thereof in the form of revolving credit loans under the Senior Credit Facility (an "Incremental Facility"), shall be subject to terms and conditions approved by the Borrower, the Administrative Agent, the Lead Arranger and the lenders participating in such Incremental Facility; provided, that the Incremental Facility (a) will be made available as a separate facility established under the Loan Documents, and (b) all documentation in respect of the Incremental Facility (including any amendments to the Loan Documents) shall be in form and substance substantially the same as the Senior Credit Facility and shall be satisfactory to the Borrower, the Administrative Agent and the Lead Arranger and shall have been approved by the Administrative Agent and the Borrower.

USE OF PROCEEDS: The proceeds of the Senior Credit Facility shall be used solely for, in each case in a manner consistent with the terms and conditions herein, (a) repayment of the loans and all other obligations under the Senior Secured, Super Priority, Debtor-In-Possession Credit Agreement (the "***DIP Credit Agreement***"), among the Borrower, Holdings, the guarantors party thereto, the lenders party thereto from time to time, and the Administrative Agent, (b) payments described in the Approved Plan, (c) payment of costs and expenses incurred in connection with consummation of the Approved Plan, and (d) for working capital and other general corporate purposes of the Borrower.

BORROWING BASE: Advances under the Senior Credit Facility may be made to the Borrower on a revolving basis up to the full amount of the Senior Credit Facility and Letters of Credit may be issued up to the sublimit for Letters of Credit, in each case, subject to compliance with a borrowing base (the "***Borrowing Base***") equal to: (i) 90% of eligible credit card receivables of the Borrower and the Guarantors, plus (ii) 85% of eligible trade accounts receivables of the Borrower and the Guarantors, plus (iii) the lesser of (a) 90% of the appraised net orderly liquidation value of eligible

inventory and (b) 100% of the cost of eligible inventory, minus (iv) any applicable Reserves to be determined by the Administrative Agent in its Permitted Discretion.

The Borrowing Base will be computed by the Borrower monthly, and a certificate (the "***Borrowing Base Certificate***") presenting the Borrower's computation of the Borrowing Base will be delivered to the Administrative Agent promptly, but in no event later than the tenth day following the end of each calendar month; provided, however, that (a) during the continuance of an Event of Default or (b) if Excess Availability (as defined below) is less than the greater of (x) 20% of the lesser of (A) the aggregate commitments under the Senior Credit Facility at such time and (B) the Borrowing Base (such lesser amount, the "***Maximum Borrowing Amount***") and (y) $12,000,000, in each case, for three (3) consecutive Business Days, the Borrower will be required to compute the Borrowing Base and deliver a Borrowing Base Certificate on a weekly basis until the date on which, as applicable, in the case of clause (a), such Event of Default is cured or waived, or in the case of clause (b), Excess Availability has been greater than the greater of (x) 20% of the Maximum Borrowing Amount and (y) $12,000,000, in each case, for at least thirty consecutive days.

"***Permitted Discretion***" means a determination made by the Administrative Agent in good faith in the exercise of its reasonable (from the perspective of an asset-based lender) business judgment. The Administrative Agent will inform the Borrower of, and explain to the Borrower, the establishment or increase of any Reserves.

"***Reserves***" means, on any date of determination, reserves established by the Administrative Agent from time to time against the Borrowing Base or any component thereof, in each case, in such amounts as the Administrative Agent may elect to impose from time to time in its Permitted Discretion upon not less than one (1) Business Day's prior written notice to the Borrower. The Administrative Agent shall not establish any Reserves to the extent such Reserves would be duplicative of any (x) specific item excluded as ineligible in the calculation of the Borrowing Base or any component thereof or (y) any other Reserves.

"***Excess Availability***" shall mean, at any time, (a) the Maximum Borrowing Amount, *minus* (b) the aggregate outstanding principal amount of all loans and Letter of Credit obligations at such time under the Senior Credit Facility.

RESERVES: The Administrative Agent shall have the right to establish, modify or eliminate Reserves or to establish or adjust any eligibility criteria in its Permitted Discretion.

EXIT CLOSING DATE: The "***Exit Closing Date***" shall occur as promptly as is practical after the order of the Court confirming the Approved Plan becomes a final order, but no later than December 1, 2017.

MATURITY: The Senior Credit Facility shall terminate and all amounts outstanding thereunder shall be due and payable in full five years after the Exit Closing Date.

MANDATORY PREPAYMENTS: In the event that the aggregate outstanding amount of loans and Letter of Credit obligations at such time under the Senior Credit Facility exceeds the then Maximum Borrowing Amount, the Borrower will immediately prepay an amount sufficient to result in Excess Availability being greater than $0.

OPTIONAL PREPAYMENTS AND COMMITMENT REDUCTIONS: The Senior Credit Facility may be prepaid in whole or in part at any time without premium or penalty, subject to reimbursement of the Lenders' breakage and redeployment costs in the case of prepayment of LIBOR borrowings. The unutilized portion of the commitments under the Senior Credit Facility may be irrevocably reduced or terminated by the Borrower at any time without penalty.

SECURITY: The Senior Credit Facility and the obligations of the Loan Parties thereunder will be secured by a fully perfected security interest in all property and assets of the Loan Parties (subject to customary exclusions to be agreed) including, but not limited to, as follows:

A valid and perfected first priority lien and security interest in all of the property and assets of the Loan Parties set forth on Schedule I hereto (the "***Revolving Credit Primary Collateral***").

A valid and perfected second priority security interest in all of the property and assets of the Loan Parties set forth on Schedule II hereto (the "***Revolving Credit Secondary Collateral***" and, together with the Revolving Credit Primary Collateral, the "***Collateral***").

"***Intellectual Property***" shall mean the Borrower's and each Guarantor's intellectual property licenses, patents, copyrights, trademarks, the goodwill associated with such trademarks, trade secrets and customer lists and all rights to sue at law or in equity for any past, present or future infringement, misappropriation, violation, misuses or other impairment thereof, including the right to receive injunctive relief and all proceeds and damages therefrom.

The Collateral shall secure the relevant party's obligations in respect of the Senior Credit Facility and any treasury management, bank products, interest protection or other hedging arrangements entered into with a Lender (or an affiliate thereof).

CASH MANAGEMENT: The Loan Parties and their subsidiaries shall establish cash management procedures reasonably acceptable to the Administrative Agent. Subject to exceptions to be mutually agreed, all deposit accounts and securities accounts of the Loan Parties shall be subject to control agreements in favor of the applicable Administrative Agent (such accounts subject to

the control of such Administrative Agent, collectively, the "***Blocked Accounts***"). Upon the occurrence and during the continuation of a Cash Dominion Period (as defined below), the Administrative Agent shall have control over all relevant Blocked Accounts and cause all amounts maintained in deposit accounts (that are Blocked Accounts) to be swept, on a daily basis, to a collection account of the Administrative Agent, to be applied to the outstanding obligations under the Senior Credit Facility. The Borrower, the Guarantors and their subsidiaries will maintain their primary cash management, controlled disbursement and ACH relationship with Administrative Agent and its affiliates.

"***Cash Dominion Period***" shall mean (a) commencing on the Exit Closing Date and continuing through the end of the first full quarter after the Exit Closing Date, (b) thereafter, each period beginning on the date that Excess Availability shall have been less than 15% of the Maximum Borrowing Amount for five (5) consecutive Business Days and ending on the date Excess Availability shall have been at least 15% of the Maximum Borrowing Amount for thirty (30) consecutive calendar days or (c) an event of default has occurred and is continuing.

DOCUMENTATION: The credit agreement ("***Credit Agreement***") will contain customary representations and warranties, funding and yield protection provisions, conditions precedent, affirmative, negative and financial reporting covenants, indemnities, events of default and remedies and other provisions appropriate for transactions of this size, type and purpose and shall be reasonably acceptable to the Administrative Agent, the Lenders and their counsel.

CONDITIONS PRECEDENT TO CLOSING: The closing and the initial extension of credit under the Senior Credit Facility will be subject to satisfaction of customary closing conditions for transactions of this type, including, without limitation, the following conditions precedent, in each case, on or prior to December 1, 2017:

(i) The negotiation, execution and delivery of a credit agreement, perfection certificates, collateral documents and other documents to be executed or delivered in connection therewith (collectively, with the Credit Agreement, the "***Senior Credit Facility Documentation***") reasonably satisfactory to the Administrative Agent and the Lenders.

(ii) The Administrative Agent shall have received evidence of the perfection and priority of liens and security interests referred to above under the section entitled "***Security***" (including all filings, recordations and searches necessary or desirable in connection with (such liens and security interests)). The Administrative Agent shall be reasonably satisfied that the Borrower maintains adequate insurance with respect to the Collateral, and the Lenders shall have received endorsements naming the Administrative Agent, on behalf of the Lenders, as an additional insured or loss payee, as the case may be, under all insurance policies to be maintained with respect to the properties of the Borrower and its

subsidiaries forming part of the Lenders' collateral described under the section entitled "***Security***" set forth above.

(iii) The Administrative Agent shall have received (A) customary and reasonably satisfactory legal opinions (which shall cover, among other things, authority, legality, validity, binding effect and enforceability of the Senior Credit Facility Documentation), corporate certificates and other usual and customary closing documentation for transactions of this type and (B) satisfactory evidence that the Administrative Agent (on behalf of the Lenders) shall have a valid and perfected first priority (subject to certain exceptions to be set forth in the Senior Credit Facility Documentation) lien and security interest in the other collateral referred to under the section entitled "***Security***" set forth above.

(iv) The Administrative Agent shall have received customary evidence of organizational authority to enter into the Credit Agreement and the other Senior Credit Facility Documentation and the other transactions to be consummated on the Exit Closing Date, in each case, reasonably acceptable to the Administrative Agent.

(v) The Administrative Agent shall have received good standing certificates, or the equivalent, in the respective jurisdictions of organization of the Loan Parties.

(vi) There shall have been (a) since the date hereof, other than those customarily resulting from the commencement of the Debtors' bankruptcy case (the "***Case***") for bankruptcy protection and changes contemplated in the Borrower's business plan delivered to the Administrative Agent prior to the date hereof, no material adverse change, individually or in the aggregate, in the business, operations, property, assets, or financial condition of the Loan Parties or the Collateral taken as a whole, (b) no litigation commenced which could reasonably be expected to have a material adverse effect on the Loan Parties or their business taken as a whole, or their collective ability to perform any material obligation or repay the loans, (c) since the date hereof, no material increase in the liabilities, liquidated or contingent, of the Loan Parties as a whole, or material decrease in the assets of the Loan Parties, except in connection with the Borrower's previously disclosed store-closing plan and as contemplated by the Budget applicable during the Case, and (d) other than those resulting from the commencement of the Cases, since the filing date no adverse change in the ability of the Administrative Agent and the Lenders to enforce the Senior Credit Facility Documentation and the obligations of the Borrower or the other Loan Parties thereunder.

(vii) A final non-appealable order of the Court in form and substance satisfactory to the Agent confirming the Approved Plan which shall not have been reversed, vacated, amended, supplemented or otherwise modified in any manner that could reasonably be expected to adversely affect the interests of the Agent, the Arranger or the Lenders (the "***Confirmation Order***") and authorizing Borrower, the Guarantors and

their subsidiaries to execute, deliver and perform under all documents contemplated hereunder and thereunder (including the payment of all fees with respect thereto) shall have been entered and shall have become a final order of the Bankruptcy Court and shall be in full force and effect. The Approved Plan and all transactions contemplated therein or in the Confirmation Order to occur on the effective as of the Approved Plan shall have been (or concurrently with the occurrence of the Exit Closing Date, shall be) substantially consummated in accordance with the terms thereof and in compliance with applicable law, Court and regulatory approvals and the Approved Plan shall have become effective. The respective indebtedness and obligations of the Borrower and the Guarantors (including, without limitation, tax liabilities) and any liens securing same that are outstanding immediately after the consummation of the Approved Plan shall not exceed the amount contemplated by the Approved Plan.

(viii) Receipt by the Administrative Agent, the Lead Arranger and the Lenders at least two (2) Business Days prior to the date of the initial Borrowing of all documentation and other information about the Borrower and the Guarantors as has been reasonably requested that they reasonably determine is required by U.S. regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA PATRIOT Act.

(ix) Excess Availability under the Senior Credit Facility as of the Exit Closing Date shall not be less than 30% of the Maximum Borrowing Amount, after giving effect to the Exit Transaction and all extensions of credit under the Senior Credit Facility on such date.

(x) Receipt of all governmental, shareholder and third party consents and approvals necessary in connection with the Senior Credit Facility, the Exit Transaction and the related financings and other transactions contemplated hereby and by the Approved Plan and expiration of all applicable waiting periods without any action being taken by any authority that could restrain, prevent or impose any material adverse conditions on the Borrower and its subsidiaries or such other transactions or that could seek or threaten any of the foregoing, and no law or regulation shall be applicable which in the reasonable judgment of the Administrative Agent could have such effect.

(xi) The Borrower's pre-petition term loan indebtedness shall have been restructured into a term loan in a principal amount of not more than $113,500,000, which shall be on terms and conditions satisfactory to the Administrative Agent (the "***Reorganized First Lien Term Loans***")

(xii) The Exit Transaction shall have been consummated on terms consistent with those outlined in the Approved Plan and otherwise on terms and conditions, and pursuant to documentation in form and substance, reasonably satisfactory to the Administrative Agent and shall be in full force and effect. The Administrative Agent shall have received copies of each of the material documents (reasoanbly satisfactory to the

Administrative Agent) executed and or delivered in connection with the Exit Transaction, each of which shall be certified by a responsible officer of the Borrower as being true, complete, correct and in full force and effect.

(xiii) The Administrative Agent shall have received a fully executed and effective Intercreditor Agreement with the holders of the Reorganized First Lien Term Loans (or an agent for such holders), in form, substance, and on terms, reasonably acceptable to the Administrative Agent (the "***Intercreditor Agreement***").

(xiv) [Reserved].

(xv) The Lenders shall have received pro forma consolidated financial statements as to the Company and its subsidiaries giving effect to all elements of the Exit Transaction, and forecasts prepared by management of the Company, each in form and substance reasonably satisfactory to the Administrative Agent, of balance sheets, income statements and cash flow statements on a monthly basis for the first year following the Exit Closing Date and on an annual basis for each year thereafter during the term of the Senior Credit Facility. The Administrative Agent shall have received and be satisfied with the business plan and shall be satisfied with the capital structure of the Borrower and the Guarantors.

(xvi) The Lenders shall have received certification as to the financial condition and solvency of the Borrower and each Guarantor (after giving effect to the Exit Transaction and the incurrence of indebtedness related thereto) from the chief financial officer of the appropriate entities.

(xvii) The Administrative Agent shall have received, in form and substance reasonably satisfactory to it, an updated asset appraisal, an updated field audit, flood certificates and flood insurance deliverables and such other reports, audits or certifications as it may reasonably request.

(xviii) Receipt by the Administrative Agent, for the benefit of the Lenders and the Administrative Agent, of all reasonable and documented fees and expenses Lenders (including the reasonable and documented fees and expenses of one primary counsel (and any special or local counsel) for the Administrative Agent) due and payable in connection with the transactions contemplated hereby.

(xix) All obligations under, or described in, the DIP Credit Agreement shall have been repaid in full in cash (or such other arrangements as are satisfactory to Citizens in its sole discretion).

CONDITIONS PRECEDENT TO ALL EXTENSIONS OF CREDIT:

Each extension of credit under the Senior Credit Facility will be subject to satisfaction of the following conditions precedent: (i) all of the

representations and warranties in the Senior Credit Facility Documentation shall be true and correct in all material respects as of the date of such extension of credit (except for representations and warranties that expressly relate to an earlier date); (ii) no default or event of default under the Senior Credit Facility shall have occurred and be continuing or would result from such extension of credit; (iii) the Administrative Agent shall have received a notice of borrowing from the Borrower; (iv) the aggregate principal amount of all loans outstanding and, if applicable, Letters of Credit outstanding on such date, after giving effect to the applicable borrowing or issuance or renewal of a Letter of Credit, shall not exceed the Maximum Borrowing Amount; and (v) the Borrower shall have paid the balance of all fees and expenses then due and payable as referenced herein. The request by the Borrower of, and the acceptance by the Borrower of, each extension of credit shall be deemed to be a representation and warranty by the Borrower that the foregoing conditions have been satisfied.

REPRESENTATIONS AND WARRANTIES:

Representations and warranties appropriate for transactions of this size, type and purpose and shall be reasonably acceptable to the Administrative Agent and the Lenders, including, without limitation and subject to customary qualifiers and exceptions, the following: (i) legal existence; qualification and power; (ii) due authorization and no contravention of law, contracts or organizational documents; (iii) governmental and third party approvals and consents; (iv) enforceability; (v) accuracy and completeness of specified financial statements and other information and no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect; (vi) no material litigation; (vii) no default; (viii) ownership of property; including disclosure of liens, properties, leases and investments; (ix) insurance matters; (x) environmental matters; (xi) tax matters; (xii) ERISA compliance; (xiii) identification of subsidiaries, equity interests and loan parties; (xiv) use of proceeds and not engaging in business of purchasing/carrying margin stock; (xv) status under Investment Company Act; (xvi) accuracy of disclosure; (xvii) compliance with laws; (xviii) intellectual property; (xix) solvency; (xx) no casualty; (xxi) labor matters; (xxii) collateral documents; (xxiii) none of Holdings, the Borrower or any Guarantor (collectively, the "***Loan Parties***") is an EEA Financial Institution.

AFFIRMATIVE AND NEGATIVE COVENANTS:

Affirmative, negative and financial covenants appropriate for transactions of this size, type and purpose and shall be reasonably acceptable to the Administrative Agent and the Lenders, including, without limitation, the following (in each case, subject to baskets, qualifications, exceptions and thresholds to be agreed):

(a) Affirmative Covenants - (i) delivery of financial statements, budgets and forecasts; (ii) delivery of certificates and other information; (iii) delivery of notices (of any default, material adverse condition, ERISA event, material change in accounting or financial reporting

practices, disposition of property, sale of equity, incurrence of debt); (iv) payment of obligations; (v) preservation of existence; (vi) maintenance of properties; (vii) maintenance of insurance; (viii) compliance with laws; (ix) maintenance of books and records; (x) inspection rights; (xi) use of proceeds; (xii) covenant to guarantee obligations, give security; (xiii) compliance with environmental laws; (xiv) preparation of environmental reports; (xv) further assurances; (xvi) compliance with terms of leaseholds; (xvii) compliance with material contracts; and (xviii) designation as senior debt.

(b) Negative Covenants - Restrictions on (i) liens; (ii) indebtedness, (including (x) guarantees and other contingent obligations and (y) an amount [TBD] of junior secured indebtedness on terms and conditions acceptable to the Citizens (it being understood that such Indebtedness may be secured by junior Liens on Revolver Primary Collateral and/or senior Liens on Revolver Secondary Collateral on terms acceptable to Citizens and such Indebtedness and the liens on collateral securing such Indebtedness shall be subject to an intercreditor agreement acceptable to Citizens)); (iii) investments (including loans and advances); (iv) mergers and other fundamental changes; (v) sales and other dispositions of property or assets; (vi) payments of dividends and other distributions; (vii) changes in the nature of business; (viii) transactions with affiliates; (ix) burdensome agreements; (x) use of proceeds; (xi) capital expenditures; (xii) amendments of organizational documents; (xiii) changes in accounting policies or reporting practices; (xiv) prepayments and voluntarily redemption of other indebtedness; (xv) modification or termination of documents related to certain indebtedness; and (xvi) changes in activities of Holdings, in each case, with such exceptions as may be agreed and are reasonably acceptable to the Administrative Agent. The Borrower or any subsidiary shall be permitted to (w) make dividends, restricted payments and other distributions, (x) prepay and voluntarily redeem other indebtedness, (y) investments and (z) incur unsecured or subordinated debt, in each case, subject to the satisfaction of the Payment Conditions.

"***Payment Conditions***" shall mean, with respect to any applicable transaction, event, or payment, (a) no event of default shall exist before or immediately after giving effect to such transaction, event, or payment, and (b) the Borrower shall have demonstrated to the reasonable satisfaction of the Agent either (x) Excess Availability (on a pro forma basis after giving effect to such transaction, event or payment) will be greater than 25% of the Maximum Borrowing Amount immediately following such specified transaction, event, or payment and as projected on a pro-forma basis as of the end of each fiscal month for each of the twelve (12) fiscal months following such specified transaction, event, or payment or (y) both (i) Excess Availability (on a pro forma basis after giving effect to such transaction, event or payment) will be greater than 20% of the Maximum Borrowing Amount immediately following such

specified transaction, event, or payment and as projected on a pro-forma basis as of the end of each fiscal month for each of the twelve (12) fiscal months following such specified transaction, event, or payment, and (ii) the Fixed Charge Coverage Ratio for the period of for the trailing twelve month period most recently ended shall be greater than 1.10 to 1.00 (calculated both before giving effect to such transaction, event or payment and on a pro forma basis after giving effect to such transaction, event or payment). The Borrower shall certify in a certificate addressed to the Administrative Agent that the Payment Conditions are satisfied.

FINANCIAL COVENANT: Maintain, at all times, Excess Availability in an amount not less than the greater of (a) $5,000,000 and (b) ten percent (10%) of the Maximum Borrowing Amount.

FIELD EXAMS AND APPRAISALS: The Administrative Agent may conduct (a) two (2) field examinations and two (2) inventory appraisals (each at the expense of the Borrower) during the first twelve (12) month period after the Exit Closing Date; provided that (i) at any time after the date on which Excess Availability is less than 20% of the Maximum Borrowing Amount, field examinations and inventory appraisals may each be conducted (at the expense of the Borrower) three (3) times during the next twelve months, (b) one (1) field examination and one (1) inventory appraisal (each at the expense of the Borrower) during any twelve (12) consecutive month period after the first twelve (12) month period after the Exit Closing Date; provided that (i) at any time after the date on which Excess Availability is less than 20% of the Maximum Borrowing Amount, field examinations and inventory appraisals may each be conducted (at the expense of the Borrower) two (2) times during the next twelve months, and (ii) at any time during the continuation of an Event of Default, field examinations and inventory appraisals may be conducted (at the expense of the Borrower) as frequently as determined by the Administrative Agent in its reasonable discretion and (c) one (1) additional field examination and one (1) additional inventory appraisal during any twelve (12) consecutive month period at the expense of the Lenders.

EVENTS OF DEFAULT: Events of default appropriate for transactions of this size, type and purpose and shall be reasonably acceptable to the Administrative Agent and the Lenders, including, without limitation, the following (subject, in certain cases, to grace periods and thresholds to be agreed): (i) nonpayment of principal, interest, fees or other amounts; (ii) failure to perform or observe covenants set forth in the loan documentation within a specified period of time, where customary and appropriate, after such failure; (iii) any representation or warranty proving to have been incorrect in any material respect when made or confirmed; (iv) cross-default to other indebtedness in an amount to be agreed; (v) bankruptcy and insolvency defaults (with grace period for involuntary proceedings); (vi) inability to pay debts; (vii) monetary judgment defaults in an amount to be agreed and material nonmonetary judgment defaults; (viii) customary ERISA defaults; (ix) actual or asserted invalidity or impairment of any loan documentation; (x) change of control; and (xi)

actual or asserted invalidity or impairment of any subordination provisions.

ASSIGNMENTS AND PARTICIPATIONS:

Assignments and participations appropriate for transactions of this size, type and purpose and shall be reasonably acceptable to the Administrative Agent and the Lenders, provided that the Loan Parties will not be permitted to list disqualified lenders except to the extent that a list of disqualified lenders (acceptable to Citizens) is provided to Citizens prior to the execution of the Commitment Letter.

Consents: The consent of the Borrower, not to be unreasonably withheld, will be required unless (i) an Event of Default has occurred and is continuing or (ii) the assignment is to a Lender, an affiliate of a Lender or an Approved Fund (as such term shall be defined in the Senior Credit Facility). The consent of the Administrative Agent will be required for any assignment in respect of the Senior Credit Facility, to an entity that is not a Lender, an affiliate of such Lender or an Approved Fund in respect of such Lender. The consent of the Fronting Bank will be required for any assignment under the Senior Credit Facility.

Assignments Generally: An assignment fee in the amount of $3,500 will be charged with respect to each assignment unless waived by the Administrative Agent in its sole discretion.

Participations: Lenders will be permitted to sell participations with voting rights limited to significant matters such as changes in amount, rate, maturity date and releases of all or substantially all of the collateral securing the Senior Credit Facility or all or substantially all of the value of the guaranty of the Borrower's obligations made by the Guarantors.

WAIVERS AND AMENDMENTS:

Waiver and amendments provisions appropriate for transactions of this size, type and purpose and shall be reasonably acceptable to the Administrative Agent and the Lenders.

INDEMNIFICATION:

The Borrower will indemnify and hold harmless the Administrative Agent, the Lead Arranger, each Lender and their respective affiliates and their partners, directors, officers, employees, agents and advisors from and against all losses, claims, damages, liabilities and expenses arising out of or relating to the Senior Credit Facility, any other aspect of the Exit Transaction, the Borrower's use of loan proceeds or the commitments, including, but not limited to, reasonable and documented out-of-pocket attorneys' fees (including the allocated cost of internal counsel) and settlement costs. This indemnification shall survive and continue for the benefit of all such persons or entities.

GOVERNING LAW:

State of New York.

PRICING/FEES/EXPENSES:

As set forth in Addendum I.

COUNSEL TO THE ADMINISTRATIVE AGENT:	Morgan, Lewis & Bockius LLP.
OTHER:	Each of the parties shall (i) waive its right to a trial by jury and (ii) submit to New York jurisdiction. The Loan Parties shall agree not to bring any suit or action in respect of or related to the Senior Credit Facility or any Senior Credit Facility Documentation therefor in any forum, other than in courts of the state of New York sitting in New York county and of the United States District Court of the Southern District of New York. The Senior Credit Facility Documentation will contain customary increased cost, withholding tax, capital adequacy and yield protection provisions and EU bail-in and defaulting lender language.

ADDENDUM I

PRICING, FEES AND EXPENSES

INTEREST RATES: The interest rates per annum applicable to the Senior Credit Facility will be LIBOR plus the Applicable Rate (as hereinafter defined) or, at the option of the Borrower, the Base Rate (to be defined as the highest of (a) the Federal Funds Rate plus ½ of 1%, (b) the Citizens prime rate and (c) LIBOR plus 1.00%) plus the Applicable Rate. "Applicable Rate" means a percentage per annum to be determined in accordance with the pricing grid set forth below. Notwithstanding anything to the contrary contained herein, to the extent that, at any time, LIBOR shall be less than zero, LIBOR shall be deemed to be zero for purposes of the Senior Credit Facility. The Applicable Rate for the period from the Exit Closing Date through the second full fiscal quarter of the Borrower after the Exit Closing Date shall be as set forth in Level III below.

The Borrower may select interest periods of one, two, three or six months for LIBOR loans, subject to availability. Interest shall be payable at the end of the selected interest period, but no less frequently than quarterly.

During the continuance of any default under the Senior Credit Facility Documentation (as hereinafter defined), the Applicable Rate on obligations under the Senior Credit Facility Documentation shall increase by 2% per annum.

COMMITMENT FEE: Commencing on the Exit Closing Date, a commitment fee of (a) if utilization of the Senior Credit Facility is greater than or equal to 50%, 0.250% per annum and (b) if utilization of the Senior Credit Facility is less than 50%, 0.375% per annum, shall be payable on the actual daily unused portions of the Senior Credit Facility. Such fee shall be payable quarterly in arrears, commencing on the first quarterly payment date to occur after the Exit Closing Date and the actual amount of such fee shall depend on Excess Availability thresholds to be mutually agreed upon.

LETTER OF CREDIT FEES: Letter of Credit fees shall be payable on the maximum amount available to be drawn under each Letter of Credit at a rate per annum equal to the Applicable Rate from time to time applicable to Revolving Credit LIBOR loans. Such fees will be (a) payable quarterly in arrears, commencing on the first quarterly payment date to occur after the Exit Closing Date, and (b) shared proportionately by the Lenders under the Senior Credit Facility. In addition, a fronting fee shall be payable to the Fronting Bank for its own account, in an amount to be mutually agreed.

Level	Excess Availability	Applicable Rate for LIBOR Loans / Letter of Credit Fees	Applicable Rate for Base Rate Loans
I	Greater than 66%	1.50%	0.50%
II	Less than or equal to 66%, but greater than 33%	1.75%	0.75%
III	Less than or equal to 33%	2.00%	1.00%

CALCULATION OF INTEREST AND FEES: Other than calculations in respect of interest at the Citizens prime rate (which shall be made on the basis of actual number of days elapsed in a 365/366 day year), all calculations of interest and fees shall be made on the basis of actual number of days elapsed in a 360 day year.

COST AND YIELD PROTECTION: Customary for transactions and facilities of this type, including, without limitation, in respect of breakage or redeployment costs incurred in connection with prepayments, changes in capital adequacy and capital requirements or their interpretation, illegality, unavailability, reserves without proration or offset and payments free and clear of withholding or other taxes.

EXPENSES: The Borrower will pay all reasonable and documented out-of-pocket costs and expenses associated with the preparation, due diligence, administration, syndication and closing of all Senior Credit Facility Documentation, including, without limitation, the reasonable and documented legal fees of one primary counsel to the Administrative Agent and the Lead Arranger (and any special or local counsel), regardless of whether or not the Senior Credit Facility is closed. The Borrower will also pay the reasonable and documented out-of-pocket expenses of the Administrative Agent and each Lender in connection with the work-out or enforcement of any of the Senior Credit Facility Documentation.

SCHEDULE I

"Revolving Credit Primary Collateral" shall mean all interests of each Loan Party in the following Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, including (1) all rights of each Loan Party to receive moneys due and to become due under or pursuant to the following, (2) all rights of each Loan Party to receive return of any premiums for or proceeds of any insurance, indemnity, warranty or guaranty with respect to the following or to receive condemnation proceeds with respect to the following, (3) all claims of each Loan Party for damages arising out of or for breach of or default under any of the following, and (4) all rights of each Loan Party to terminate, amend, supplement, modify or waive performance under any of the following to perform thereunder and to compel performance and otherwise exercise all remedies thereunder:

(i) all Accounts and payment intangibles constituting credit card receivables, but for purposes of this clause (i) excluding rights to payment for any property which specifically constitutes Revolving Credit Secondary Collateral which has been or is to be sold, leased, licensed, assigned or otherwise disposed of; provided, however, that all rights to payment arising from any sale of Inventory shall constitute Revolving Credit Primary Collateral;

(ii) all Chattel Paper;

(iii) all Deposit Accounts and all other demand, deposit, time, savings, cash management, passbook and similar accounts maintained with any bank or other financial institution and all monies, securities, Instruments and other investments deposited or required to be deposited in any of the foregoing (in each case, other than a deposit account holding only identifiable proceeds of any Revolving Credit Secondary Collateral);

(iv) all Inventory;

(v) all other cash and cash equivalents (other than identifiable proceeds of any Revolving Credit Secondary Collateral);

(vi) to the extent evidencing or governing any of the items referred to in the preceding clauses (i) through (v), all General Intangibles, letters of credit (whether or not the respective letter of credit is evidenced by a writing), Letter-of-Credit Rights, Instruments and Documents; provided that to the extent of any of the foregoing also relates to Revolving Credit Secondary Collateral, only that portion related to the items referred to in the preceding clauses (i) through (v) as being included in the Revolving Credit Primary Collateral shall be included in the Revolving Credit Primary Collateral;

(vii) to the extent relating to any of the items referred to in the preceding clauses (i) through (vi), all insurance; provided that to the extent any of the foregoing also relates to Revolving Credit Secondary Collateral only that portion related to the items referred to in the preceding clauses (i) through (vi) as being included in the Revolving Credit Primary Collateral shall be included in the Revolving Credit Primary Collateral;

(viii) to the extent relating to any of the items referred to in the preceding clauses (i) through (vii), all Supporting Obligations; provided that to the extent any of the foregoing also relates to Revolving Credit Secondary Collateral only that portion related to the items referred to in the preceding clauses (i) through (vii) as being included in the Revolving Credit Primary Collateral shall be included in the Revolving Credit Primary Collateral;

(ix) to the extent relating to any of the items referred to in the preceding clauses (i) through (viii), all Commercial Tort Claims; provided that to the extent of any of the foregoing also rlates to Revolving Credit Secondary Collateral only that portion related to the items referred to in the preceding clauses (i) through (viii) as being included in the Revolving Credit Primary Collateral shall be included in the Revolving Credit Primary Collateral;

(x) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing; and

(xi) all cash proceeds and all non-cash proceeds, products, accessions, rents and profits of or in respect of any of the foregoing (including all insurance proceeds) and all collateral security, guarantees and other Collateral Support given by any Person with respect to any of the foregoing.

SCHEDULE II

"Revolving Credit Secondary Collateral" shall mean all interests of each Loan Party in the following Collateral, in each case whether now owned or existing or hereafter acquired or arising and wherever located, including (1) all rights of each Loan Party to receive moneys due and to become due under or pursuant to the following, (2) all rights of each Loan Party to receive return of any premiums for or Proceeds of any Insurance, indemnity, warranty or guaranty with respect to the following or to receive condemnation Proceeds with respect to the following, (3) all claims of each Loan Party for damages arising out of or for breach of or default under any of the following, and (4) all rights of each Loan Party to terminate, amend, supplement, modify or waive performance under any of the following, to perform thereunder and to compel performance and otherwise exercise all remedies thereunder:

(i) any deposit account holding only identifiable Proceeds of any Revolving Credit Secondary Collateral, and all cash, money, securities and other investments deposited therein;

(ii) all Equipment;

(iii) all Fixtures;

(iv) all General Intangibles, including Contracts, together with all Contract Rights arising thereunder (in each case, other than General Intangibles constituting, evidencing, governing or otherwise relating to Revolving Credit Primary Collateral);

(v) all letters of credit (whether or not the respective letter of credit is evidenced by a writing), Letter-of-Credit Rights (to the extent perfected by the filing of a UCC financing statement as a Supporting Obligation), Instruments and Documents (except to the extent constituting, evidencing or governing or attached or related to (to the extent so attached or related to) Revolving Credit Primary Collateral);

(vi) without duplication, all Investment related property, all Securities, all Securities Entitlements and all Securities Accounts (in each case, other than any Collateral constituting Revolving Credit Primary Collateral and other than any Supporting Obligations supporting Revolving Credit Primary Collateral);

(vii) all Intellectual Property;

(viii) except to the extent constituting, or relating to, Revolving Credit Primary Collateral, all Commercial Tort Claims;

(ix) all real property (including, if any, leasehold interests) on which the Loan Parties are required to provide a lien to the lenders under the Reorganized First Lien Term Loans and any title insurance with respect to such real property (other than title insurance actually obtained by the Administrative Agent in respect of such real property) and the proceeds thereof;

(x) except to the extent constituting, governing, evidencing or relating to, the Revolving Credit Primary Collateral, all other personal property (whether tangible or intangible) of such Loan Party;

(xi) to the extent constituting, or relating to, any of the items referred to in the preceding clauses (i) through (x), all insurance; provided that to the extent any of the foregoing also relates to

Revolving Credit Primary Collateral, only that portion related to the items referred to in the preceding clauses (i) through (x) as being included in the Revolving Credit Secondary Collateral shall be included in the Revolving Credit Secondary Collateral;

(xii) to the extent relating to any of the items referred to in the preceding clauses (i) through (xi), all Supporting Obligations; provided that to the extent any of the foregoing also relates to Revolving Credit Primary Collateral only that portion related to the items referred to in the preceding clauses (i) through (xi) as being included in the Revolving Facility Secondary Collateral shall be included in the Revolving Credit Secondary Collateral;

(xiii) all books and records, customer lists, credit files, computer files, programs, printouts and other computer materials and records related thereto and any General Intangibles at any time evidencing or relating to any of the foregoing; provided that to the extent any of such material also relates to Revolving Credit Primary Collateral only that portion related to the items referred to in the preceding clauses (i) through (xii) as being included in the Revolving Credit Secondary Collateral shall be included in the Revolving Credit Secondary Collateral; and

(xiv) all cash proceeds and, solely to the extent not constituting Revolving Credit Primary Collateral, non-cash proceeds, products, accessions, rents and profits of or in respect of any of the foregoing and all collateral security, guarantees and other Collateral Support given by any Person with respect to any of the foregoing.

EXHIBIT F

JOINDER

The undersigned ("***Transferee***") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of July 4, 2017 (the "***Agreement***"), by and among TRLG Intermediate Holdings, LLC, True Religion Apparel, Inc., on behalf of itself and certain of its wholly-owned direct and indirect subsidiaries (collectively, the "***Company***"), the Sponsor and the holders of First Lien Claims and Second Lien Claims against the Company, and agrees to be bound by the terms and conditions thereof, and shall be deemed a "Joining Party" and "Holder Party" under the terms of the Agreement. The Transferee hereby makes the representations, warranties and agreements of the Holder Parties set forth in Sections 2 and 3 of the Agreement to the other Parties thereto. This Joinder shall be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws that would require the application of the law of any other jurisdiction. Capitalized terms not otherwise defined in this Joinder shall have the meanings assigned to such terms in the Agreement.

Date Executed: _____

TRANSFEREE

Name of Institution: _____

By: _____
Name: _____
Its: _____
Telephone: _____
Facsimile: _____

First Lien Claims

$ _____

Second Lien Claims

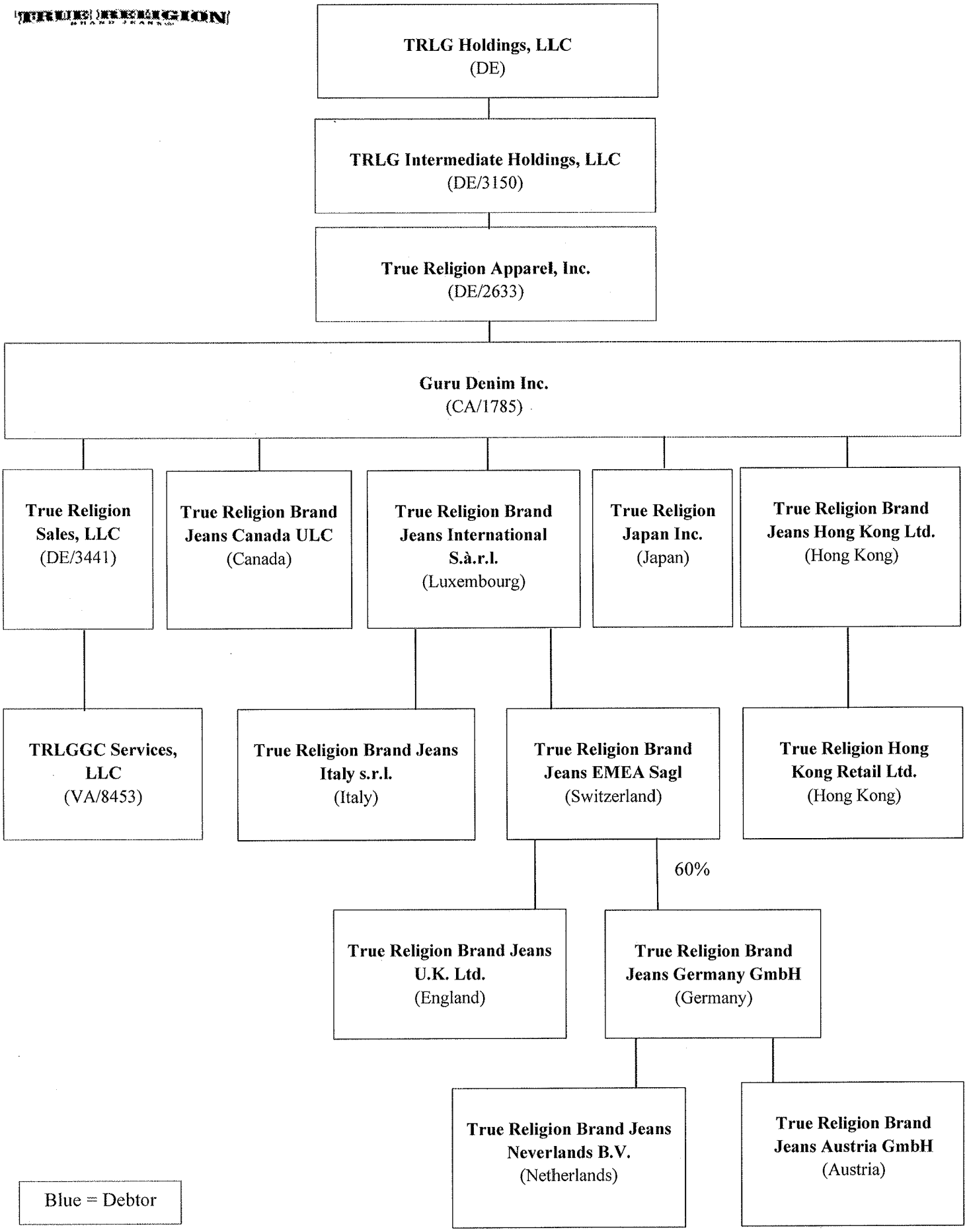
$ _____

ABL Claims

$ _____

NOTICE ADDRESS:

[_____]
[_____]
[_____]
Attention: [_____]
Facsimile: [_____]
E-mail: [_____]

EXHIBIT B

TRUE RELIGION
BRAND JEANS