IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	**Chapter 11**
SERTA SIMMONS BEDDING, LLC, *et al.*,	§	**Case No. 23-90020 (DRJ)**
	§	**(Joint Administration Requested)**
Debtors.[1]	§	

DECLARATION OF JOHN LINKER IN SUPPORT OF DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY RELIEF

I, John Linker, pursuant to section 1746 of title 28 of the United States Code, hereby declare that the following is true and correct:

1. I am Chief Financial Officer of Serta Simmons Bedding, LLC ("**Serta Simmons Bedding**"). Serta Simmons Bedding, together with certain of its affiliates, including Dawn Intermediate, LLC ("**Dawn Intermediate**" and, collectively, the "**Company**" or the "**Debtors**") is one of the leading manufacturers and marketers of bedding products in North America, operating various bedding manufacturing facilities across the United States and Canada. I am knowledgeable about and familiar with the Company's business and financial affairs. I submit this declaration (this "**Declaration**") in support of the Debtors' voluntary petitions for relief and motions filed concurrently herewith (the "**First Day Motions**")[2]. I am authorized to submit this Declaration on behalf of the Debtors.

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[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Dawn Intermediate, LLC (6123); Serta Simmons Bedding, LLC (1874); Serta International Holdco, LLC (6101); National Bedding Company L.L.C. (0695); SSB Manufacturing Company (5743); The Simmons Manufacturing Co., LLC (0960); Dreamwell, Ltd. (2419); SSB Hospitality, LLC (2016); SSB Logistics, LLC (6691); Simmons Bedding Company, LLC (2662); Tuft & Needle, LLC (2158); Tomorrow Sleep LLC (0678); SSB Retail, LLC (9245); and World of Sleep Outlets, LLC (0957). The Debtors' corporate headquarters and service address for these chapter 11 cases is 2451 Industry Avenue, Doraville, Georgia 30360.

[2] Capitalized terms used but not defined herein shall have the meaning given such terms in the Plan (as defined below).

2. Before joining Serta Simmons Bedding, I served as Executive Vice President and Chief Financial Officer of JELD-WEN Holding, Inc., a leading global manufacturer of windows and doors, from November 2018 through March 2022. Prior to that from 2012 to November 2018, I held other leadership roles at JELD-WEN Holdings, Inc. in investor relations, corporate development, and treasury. Prior to that, I held corporate development and finance leadership roles in the Aerospace Systems Division of United Technologies Corporation (and its predecessor, Goodrich Corporation), and earlier in my career, as an investment banker with Wells Fargo Securities and a consultant for Accenture. I have a Bachelor of Arts in Economics and Comparative Area Studies from Duke University, and a master's degree in business administration from Duke University's Fuqua School of Business.

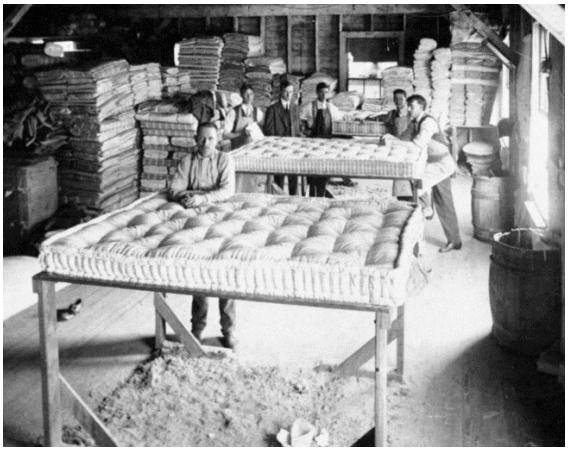
3. Commencing on January 23, 2023 (the "**Petition Date**"), the Debtors filed in this Court voluntary cases under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**"). I am knowledgeable about and familiar with the Company's business and financial affairs since joining the company in 2022 and my reasonable inquiry into periods prior to 2022. Except as otherwise indicated, the facts set forth in this Declaration are based upon my personal knowledge, my review of relevant documents, information provided to me by employees working under my supervision, my opinion based upon experience, knowledge, and information concerning the Company's operations and financial condition, my own reasonable inquiry, and/or my discussions with the Company's other officers, directors, and restructuring advisors, including professionals at Weil, Gotshal & Manges LLP ("**Weil**"), Evercore Group L.L.C. ("**Evercore**"), and FTI Consulting, Inc. (together with Weil and Evercore, the "**Advisors**"). If called upon to testify, I would testify to the facts set forth in this Declaration.

4. This Declaration has been organized into four (4) sections. The **first** provides an overview of the Debtors and their chapter 11 cases, including the general framework for the Debtors' restructuring. The **second** describes the Company's business, its organizational and capital structure, its history and its current operations. The **third** describes the events leading to the filing of these chapter 11 cases and the Debtors' prepetition restructuring efforts. The **fourth** section summarizes the relief requested in, and the legal and factual bases supporting, the First Day Motions.

I. Overview

5. As stated above, the Company is one of North America's leading manufacturers and marketers of bedding products. The Company and its predecessors have been developing innovative products and technologies to provide their customers a better night's sleep since 1876. Today, the Company manufactures and markets mattresses, foundations, and bedding-related products through four primary brands: Beautyrest®, Serta®, Simmons®, and Tuft & Needle®. The Company is headquartered in Doraville, Georgia.

The first Simmons manufacturing facility opened in 1870 in Kenosha, Wisconsin to produce cheese boxes before expanding operations to mattresses in 1876.



Workers in a Simmons factory produce mattresses utilizing Simmons' revolutionary Pocketed Coil® ca. 1925

6. Together with their non-debtor affiliates, the Debtors operate twenty-one (21) bedding manufacturing facilities across the United States and Canada, as shown in the map below:

The Debtors manufacture, sell and distribute their bedding products to individual consumers through a number of channels. The Debtors primarily sell their products in the United States through dealers which, in 2022, included approximately 2,200 authorized independent retailers, including one or more mattress specialty stores, as well as furniture stores, department stores, furniture rental stores, mass merchandisers, and juvenile specialty stores. The Debtors also sell their products (i) to hospitality customers, such as hotels, casinos and resort properties, through SSB Hospitality, LLC; (ii) to third party resellers, who purchase overstock and discontinued models through four (4) warehouses operated by World of Sleep Outlets, LLC; and (iii) directly to consumers through their e-commerce platforms and retail stores.

7. The Debtors also license their intellectual property for use by third party manufacturers of bedding products. The Debtors' key trademarks are as follows:

Debtor Dreamwell, Ltd. licenses the Beautyrest® and Simmons® trademarks for the manufacture of mattresses and foundations both within the United States for use on Beautyrest® and Simmons® branded bedding-related products and home textiles and outside of the United States to licensees who manufacture Beautyrest® and Simmons® branded mattress and bedding-related products. Serta, Inc. ("**Serta**"), a non-Debtor entity, licenses the Company's Serta® trademarks for the manufacture of mattresses and foundations in the United States to the Minority Licensees (as defined herein), who also hold minority equity stakes in Serta, as well as to licensees who manufacture bedding-related products and home textiles in the United States and to licensees outside of the United States who manufacture Serta® branded mattress and bedding-related products.

8. The Debtors have commenced these chapter 11 cases to implement a prearranged restructuring (the "**Restructuring**"), supported by (a) holders representing approximately (i) 81% of the aggregate outstanding principal amount of Class 3 (FLFO Claims) under its prepetition PTL Facility, and (ii) 77% of the aggregate outstanding principal amount of Class 4 (FLSO Claims) under its prepetition PTL Facility (collectively, the "**Consenting Creditors**"), and (b) Dawn Holdings, Inc., as the sole member, and holder of interests in, Dawn Intermediate, and funds managed by Advent International Corporation, as holder of interests in Dawn Holdings, Inc. (collectively, the "**Consenting Equity Holders**" and, together with the Consenting Creditors, the "**Consenting Parties**"), in each case, that are party to that certain *Restructuring Support Agreement* dated as of January 23, 2023, annexed hereto as **Exhibit A** (as

amended from time to time and including all exhibits thereto, the "**Restructuring Support Agreement**"). Subject to the terms and conditions of the Restructuring Support Agreement, the Restructuring will be implemented pursuant to the *Joint Chapter 11 Plan of Serta Simmons Bedding, LLC and its Affiliated Debtors* (the "**Plan**") filed contemporaneously herewith. Upon its implementation, the Plan will substantially delever the Company by reducing its balance sheet liabilities from approximately $1.9 billion in total debt to approximately $300 million (plus original issue discount) in total debt upon emergence and result in the resolution of certain pending claims against the Debtors brought by certain of its Non-PTL Lenders (defined below).

9. As set forth in greater detail in the Plan, the Restructuring provides that:

(a) each holder of an Allowed FLFO Claim (as defined in the Plan) under the PTL Facility has agreed to exchange its claims for its *pro rata* share of $195,000,000 in aggregate principal amount of New Term Loans;

(b) each holder of an Allowed FLSO Claim (as defined in the Plan) under the PTL Facility has agreed to exchange its claims for its *pro rata* share of (x) one hundred percent (100%) of the equity in the Reorganized Debtors (less any such equity distributed to holders of Class 5 Non-PTL Claims (defined below) and subject to dilution by equity distributed pursuant to the Management Incentive Plan), and (ii) $105,000,000 in aggregate principal amount of takeback debt in the form of the New Term Loans;

(c) each holder of an Allowed Non-PTL Term Loan Claim will receive:

(i). If Class 5 votes to accept the Plan: Its Pro Rata Share of 4% of New Common Interests issued on the Effective Date, subject to dilution by the New Common Interests distributed pursuant to the Management Incentive Plan;

(ii). If Class 5 votes to reject the Plan: Its Pro Rata Share of 1% of New Common Interests issued on the Plan Effective Date, subject to dilution by the New Common Interests distributed pursuant to the Management Incentive Plan;

(d) each holder of an Allowed Ongoing General Unsecured Claim shall receive, in exchange for executing a trade agreement providing for the continuation of goods or services on the same or better terms as existed prior to the Petition Date, no more than four (4) Cash installments, which payments

shall result in full payment in the Allowed amount of such Ongoing General Unsecured Claim on no better terms than payment in the ordinary course of business;

(e) each holder of an Allowed Other General Unsecured Claim shall receive, in full and final satisfaction of such Claim, its Pro Rata Share of the Other General Unsecured Claims Recovery Pool as set forth in the GUC Recovery Allocation Table; and

(f) a settlement shall be approved among the Debtors, the Consenting Creditors, and the Consenting Equity Holders resulting in the contribution of non-Debtor entity Dawn Holdings, Inc. into the restructuring.

10. Under the Plan, the Debtors will also enter into (a) a new term loan credit facility in the aggregate principal amount of $300,000,000.00 (plus original issue discount), and (b) a first lien asset-backed revolving credit facility, which, as of the Effective Date, will roll up or replace the DIP Facility, to provide the Company with working capital to fund its business post-emergence.

11. The effects of the Restructuring can be summarized as follows[3]:

	Status Quo		Pro Forma
$200mm ABL	$ -	$125mm ABL	$ -
FLFO Tranche	195	New Term Loan	300
FLSO Tranche	832		
ABL + PTL Facility	**$1,027**	**ABL + New Term Loan**	**$300**
Non-PTL Term Loan	$862		
Total Debt	**$1,889**	**Total Debt**	**$300**

12. As described more fully below, the Restructuring is the culmination of a years-long effort on the part of the Debtors to right-size their balance sheet. Since 2019, in conjunction with operational initiatives designed to grow its sales, the Company has been seeking a transaction that would reduce its debt and provide the working capital necessary to carry out its

[3] New Term Loan amount shown excludes original issue discount. Exit ABL Facility will be subject to a minimum draw to be determined. Excludes capital lease obligations.

long term plans. As for many companies, the onset of the COVID-19 pandemic put significant pressure on this process and the Company's business at large, threatening to derail its efforts. In response to these challenges, in June 2020, the Company closed a recapitalization transaction with certain of its existing secured lenders. Referred to herein as the "**2020 Transaction**," upon closing, the Company received an infusion of $200 million in new money through a new, super-priority PTL Facility, which allowed the Company to weather the economic downturn.

13. However, I understand that the various macroeconomic and operational headwinds the Debtors continued to face, along with the Debtors' leverage profile, remained a hindrance to long term healthy growth. In addition, certain of the Company's existing lenders that were not party to the 2020 Transaction have sued the Company and certain of the PTL Lenders (referred to collectively herein as the "**2020 Transaction Litigation**"), two of which are currently pending. In one action, pending in the United States District Court for the Southern District of New York, plaintiffs seek damages for alleged breaches of the Non-PTL Term Loan Agreement and the implied covenant of good faith and fair dealing, among other causes of action. In the second, pending in New York State Supreme Court, plaintiffs likewise seek damages for alleged breach of the Non-PTL Term Loan Agreement and the implied covenant of good faith and fair dealing, and additionally seeks to unwind the 2020 Transaction entirely. Under threat from the 2020 Transaction Litigation, and with significant maturities looming in 2023, the Company redoubled its efforts to find a strategic partner, including engagement with plaintiffs in the state court action to attempt to negotiate the terms of a settlement. While settlement discussions were ultimately unsuccessful, in January 2023, the Company and the PTL Lenders reached agreement with respect to the terms of a recapitalization transaction, culminating in the Restructuring Support Agreement and the Plan.

14. The Company's ability to restructure its balance sheet and emerge from chapter 11 is inextricably tied to the resolution of the disputes raised in the 2020 Transaction Litigation. Accordingly, contemporaneously with the filing of the petitions, the Debtors are initiating an adversary proceeding (the "**Adversary Proceeding**") to comprehensively resolve the claims against the Debtors—and by extension, the PTL Lenders—arising from the 2020 Transaction Litigation and any future litigation related to the 2020 Transaction. The Adversary Proceeding seeks a declaratory judgment that the 2020 Transaction was valid under the terms of the Non-PTL Term Loan Agreement (as defined below). In conjunction with the Adversary Proceeding, the Debtors have filed the *Debtors' Motion for Entry of Order (I) Scheduling Certain Hearing Dates and Deadlines, (II) Establishing Certain Protocols in Connection with the Confirmation of the Debtors' Plan of Reorganization, and (III) Granting Related Relief* (the "**Scheduling Motion**"). The Scheduling Motion requests a timetable for the Adversary Proceeding to ensure that it is resolved on the same timetable as confirmation of the Debtors' chapter 11 plan of reorganization. I understand that the Debtors believe, upon discussion with their advisors, that this relief will ensure that the Debtors' reorganization can proceed and be resolved in one consolidated proceeding before the Bankruptcy Court.

II. Background

A. History, Corporate Structure, and Management

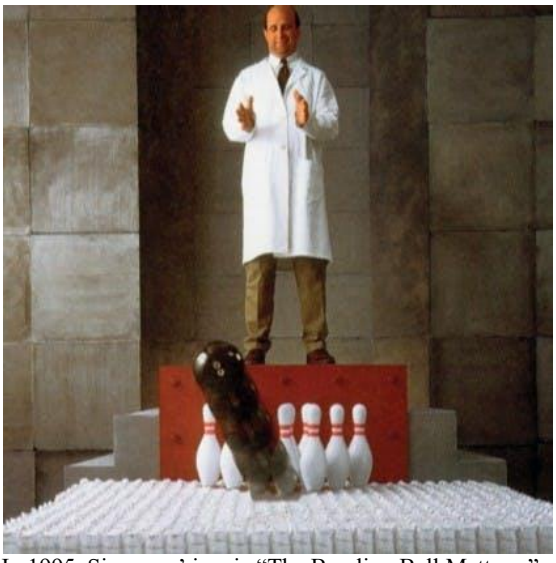
15. The Company's main operating entity, Serta Simmons Bedding, was formed in 2010 following the combination of two highly recognizable brands in bedding: Serta® and Simmons®. Today, Serta Simmons Bedding employs over 3,600 employees and accounts for approximately 19% of the annual bedding sales in the United States through a diverse portfolio of

brands, including the premium Simmons® Beautyrest® line, Serta®, the value-oriented Simmons®, and most recently mattress-in-a-box brand Tuft & Needle®, acquired in 2018.

The Company's Tuft & Needle brand first began marketing its signature mattress-in-a-box in 2012, among the first of its kind.

1. Simmons

16. The Company that would become Simmons Bedding (together with its affiliates, "**Simmons**") was founded in 1870 when Zalmon G. Simmons began manufacturing wooden cheese boxes and telegraph insulators in a factory on the shores of Lake Michigan in Kenosha, Wisconsin. In 1876, Zalmon G. Simmons developed an automated process for the manufacture of coil spring mattresses that were both more comfortable and less expensive to purchase. Over the ensuing century, Simmons pioneered a number of innovations in bedding, including an individually-wrapped coil spring unit, called the Pocketed Coil® spring, that would lead to the development of the iconic Beautyrest mattress in the 1920s.



In 1995, Simmons' iconic "The Bowling Ball Mattress" ad debuted, demonstrating the power of the Pocketed Coil® to resist motion transfer.

17. In the ensuing years, Simmons had expanded its operations worldwide and domestically to new businesses such as hospital beds and furniture. By the 1990s, it disposed of most of its foreign and non-bedding domestic operations. In connection with such sales, Simmons entered into licensing arrangements with third parties who now produce and distribute Simmons-branded products within certain designated territories internationally. Simmons also entered into licensing arrangements domestically, pursuant to which third parties manufacture and distribute juvenile furniture, crib mattresses, sheets, pillows, and other bedding-related products and home textiles under the Simmons brand. In 2010, in connection with its chapter 11 cases, Simmons was acquired by Ares Capital Management, LLC ("**Ares**") and the Ontario Teacher's Pension Plan ("**OTPP**").

2. Serta

18. Serta was formed in 1931 by a group of independent mattress manufacturers that wanted to sell throughout the United States under the Serta® brand, each of which became a licensee and stockholder of Serta. Over the course of nearly a century since its founding, Serta

has gained recognition both for the quality and comfort of its mattresses, foundations, and other bedding-related products and its prominence in the consumer imagination, in part owing to the antics of its iconic mascot, the Counting Sheep:

Serta's "Counting Sheep" have been delighting audiences since their debut in Serta television spots in the year 2000.

19. In 2003, one Serta licensee, Debtor NBC, acquired a majority of the outstanding common stock of Serta through a series of acquisitions of other Serta licensees and stockholders. In 2005, NBC was acquired by Ares and OTPP, and NBC was combined with Simmons in 2010 under ultimate parent Serta Simmons Bedding. Today, NBC owns approximately 82% of the outstanding common stock of Serta, alongside five (5) remaining minority licensees who collectively control the other approximately 18% of the outstanding common stock of Serta (the "**Minority Licensees**"). Pursuant to Serta's governing documents, NBC is entitled to elect four (4) of the seven (7) directors on Serta's board, each with three (3) votes, and the Minority Licensees are entitled to elect the remaining three (3) directors, each with one (1) vote.

20. The rights and obligations of NBC and the Minority Licensees with respect to the license and marketing of the Serta® brand are governed by a series of agreements, including,

among others: (i) a separate *Standard License Agreement* entered into between Serta and each of the Minority Licensees; (ii) the charter and bylaws of Serta; (iii) that certain *Restructuring Agreement*, dated as of September 10, 2004, by and among NBC and the Minority Licensees, which sets forth the services to be provided by NBC on behalf of Serta and the Minority Licensees; and (iv) those certain *2018 Amended and Restated Rules and Regulations*, dated as of December 29, 2018, which, among other things, govern the brand management standards to be maintained by NBC on behalf of the Minority Licensees.

21. In addition to its equity interests, among other things, each Minority Licensee has been granted a territory within the United States in which to manufacture Serta®-branded mattresses and foundations and each Minority Licensee pays certain fees for brand-management and other shared services provided by NBC, including manufacturing assistance, research and development, national advertising, and management of intellectual property. Fees payable on account of such services are generally structured as a percentage of the preceding year's sales. In addition, NBC has exclusive rights to (i) manufacture Serta® branded mattresses domestically within NBC's own area of primary responsibility; (ii) manage domestic national customer accounts (such as sales to retail stores with a national reach and hospitality customers like hotel chains); and (iii) license the Serta® brand to other companies that make bedding-related and textile products (including pillows, mattress toppers, pet products, and bathroom textiles, among others) both domestically and internationally, with a portion of the profits from such licensing agreements owed to the Minority Licensees.

3. Serta Simmons Bedding

22. As mentioned above, in 2010, NBC combined with Simmons to become the Company's main operating entity, Serta Simmons Bedding. In 2012, Ares and OTPP sold their

majority stake in Serta Simmons Bedding to Advent International ("**Advent**"). In 2018, the Company acquired Tuft & Needle, Inc. ("**Tuft & Needle**"), a mattress-in-a-box manufacturer that now operates as a wholly-owned subsidiary of Serta Simmons Bedding. Today, Serta Simmons Bedding is a significant player in the North American bedding industry, with $2.4 billion in sales for the twelve (12) months ending June 2022, accounting for approximately 19% U.S. bedding share.

Serta Simmons Bedding's Houston manufacturing facility, opened in 2017.

4. COVID-19 Pandemic and the 2020 Transaction

23. In April 2020, the COVID-19 pandemic spread throughout the United States and its impact forced the Company to curtail its operations and its customers to quarantine. During this time, I understand that Serta Simmons Bedding solicited proposals from and entered into discussions with potential lenders, including certain of its existing lenders, to explore alternatives to raise liquidity and reduce its debt and interest expense. In the course of its review process, I understand that the Company, with the guidance of an independent finance committee comprised of newly-appointed independent managers at Dawn Intermediate, Joan Hilson and Harvey Tepner (the "**Finance Committee**"), analyzed multiple proposals and negotiated with numerous lender groups in search of a strategic partner.

24. On June 8, 2020, Serta Simmons Bedding announced it had entered into a transaction support agreement to recapitalize the Company. In connection with this transaction, (i) certain parties to the transaction support agreement, including certain of the Debtors' then-existing first lien and second lien lenders, made available to the borrowers a new "first lien first out" term loan in the aggregate principal amount of $200 million (the "**FLFO Term Loans**"), and (ii) second, certain of the Debtors' then-existing first lien and second lien lenders sold to Serta Simmons Bedding and the other borrowers approximately $1 billion of outstanding term loans under the Non-PTL Term Loan Facility and $300 million outstanding under the Debtors' second lien term loan facility[4] in exchange for "first lien second out" term loans under the PTL Credit Agreement (the "**FLSO Term Loans**", and together with the FLFO Term Loans, the "**PTL Facility"**). The issuance of the FLFO Term Loans and exchange of outstanding first lien and second lien term loans for FLSO Term Loans is referred to collectively herein as the "**2020 Transaction**." I understand that the 2020 Transaction resulted in a reduction in the Company's debt and interest expense.

5. Corporate Governance & Management

25. The Debtors are controlled by the board of managers of Dawn Intermediate, LLC (the "**Board**"). Each separate Debtor is either a member-managed limited liability company or a corporation. The current Board consists of nine (9) members, shown below alongside their respective affiliations:

Name	Position
Jefferson Case	Director (Advent)
George David	Director (Advent)
Joan Hilson	Director (Independent)
Shelley Huff	Director & Chief Executive Officer, Serta Simmons Bedding

[4] The second lien term loan facility has since been repaid in full.

Name	Position
Glenn Murphy	Director (Advent)
David Porter	Chairman of the Board
Harvey Tepner	Director (Independent)
Brandi Thomas	Director (Independent)
Judith Toland	Director (Independent)

26. The Finance Committee was appointed by the Board on March 11, 2020 by unanimous written consent to consider, evaluate, and recommend to the Board to pursue a restructuring transaction on behalf of the Company, including to oversee discussions with the Company's stakeholders and the implementation and execution of any transaction that has been approved by the Board. On June 3, 2020, the Board unanimously voted to delegate additional transaction authority to the Finance Committee with respect to a restructuring transaction process, including with respect to:

- Approval of any transaction, action or agreement or transaction in furtherance thereof on behalf of the Board;
- Discussions and negotiations with stakeholders of Dawn Intermediate and its subsidiaries in respect of a transaction;
- The implementation and execution of a transaction and all related documentation thereto, including with respect to the marketing of Dawn Intermediate's assets and any bids or proposals submitted in connection with the transaction;
- The analysis and, if applicable, resolution of claims or causes of action in favor of Dawn Intermediate in connection with a transaction;
- Authorize or instruct the Company's advisors to discuss and negotiate the terms of a transaction with potential counter-parties and Dawn Intermediate's stakeholders; and
- Such other actions as the Finance Committee considers necessary or desirable in order to carry out its mandate.

27. The Debtors' current senior management team consists of the following individuals:

Name	Position
Shelley Huff	Chief Executive Officer
John Linker	Chief Financial Officer
Kristen McGuffey	Chief Legal Officer and Secretary
Esther Ni	Chief Human Resources Officer

The Company has recently bolstered its management team through recent senior additions, including Shelley Huff, who joined the Company in 2020 and was ultimately appointed to her current role as Chief Executive Officer in December 2021. Shelley came to Serta Simmons Bedding after spending more than 15 years in the retail industry, most recently serving as President and CEO of Hayneedle.com, a Walmart-owned online home furnishings destination. Prior to that, Shelley held a variety of leadership roles within Walmart's U.S. division and at Walmart eCommerce, including serving as the Vice President of Operations at Walmart eCommerce, General Manager of Home and Apparel at Walmart.com and Vice President of Housewares at Walmart U.S.

B. Capital Structure

28. The following description of the Debtors' capital structure is for informational purposes only and is qualified in its entirety by reference to the documents setting forth the specific terms of such obligations and their respective related agreements. The following

table provides a summary of the approximate outstanding principal amounts of the Debtors' funded debt obligations, as described in more detail below.[5]

$200mm ABL	$ -
FLFO Tranche	195
FLSO Tranche	832
ABL + PTL Facility	**$1,027**
Non-PTL Term Loan	$862
Total Debt	**$1,889**

1. ABL Facility

29. The Debtors are party to that certain *ABL Credit Agreement*, dated as of November 8, 2016 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "**Prepetition ABL Agreement**"), by and among Dawn Intermediate, as holdings; Serta Simmons Bedding, SSB Manufacturing Company ("**SSB Manufacturing**"), and NBC, as borrowers; the lenders from time to time party thereto (the "**ABL Lenders**"); and UBS AG, Stamford Branch, as administrative agent and collateral agent (in such capacity, the "**ABL Agent**"). Pursuant to the Prepetition ABL Agreement, the ABL Lenders made available to the borrowers revolving credit loans, subject to borrowing base availability, in an aggregate principal amount up to $200 million with a $40 million letter of credit sublimit. The Prepetition ABL Facility is secured, subject to certain exceptions and permitted liens, by (i) a first-priority security interest in the ABL Priority Collateral (as defined in the ABL Intercreditor Agreement (as defined below)) of each of the Debtors, which includes, among other things, cash, deposit accounts, accounts receivable, and inventory, and (ii) a second-priority security interest in the Term Loan Priority Collateral (as defined in the ABL Intercreditor Agreement) of each of the

[5] Excludes capital lease obligations.

Debtors junior to the PTL Facility and the Non-PTL Facility, which includes all material assets of the Debtors other than the ABL Priority Collateral, including all real estate, equipment, intellectual property, and equity interests in their direct subsidiaries.

30. As of the Petition Date, there were approximately $28 million in issued and outstanding letters of credit under the Prepetition ABL Facility, plus any applicable interest, fees, and other amounts outstanding under the ABL Credit Agreement.

2. Super-Priority Term Loans

31. Each of the Debtors is an obligor under the PTL Facility pursuant to that certain *Super-Priority Term Loan Agreement*, dated as of June 22, 2020 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "**PTL Credit Agreement**"), by and among Dawn Intermediate, as holdings; Serta Simmons Bedding, SSB Manufacturing, and NBC, as borrowers; the lenders from time to time party thereto (the "**PTL Lenders**"); and UBS AG, Stamford Branch, as administrative agent and collateral agent (in such capacity and including any successors thereto, the "**PTL Agent**"). The PTL Facility is guaranteed by each of the other Debtors that is not a borrower thereunder, including Dawn Intermediate (the "**Guarantors**"), and the obligations thereunder are secured, subject to certain exceptions and permitted liens, by (i) a first-priority lien on the Term Loan Priority Collateral of each of the Debtors, and (ii) a second-priority lien on the ABL Priority Collateral. As of the Petition Date, (i) the aggregate principal amount of FLFO Term Loans outstanding under the PTL Credit Agreement is approximately $195,000,000 million and (ii) the aggregate principal amount of FLSO Term Loans outstanding under the PTL Credit Agreement is approximately $832,012,999 million.

3. Non-PTL Term Loan

32. Each of the Debtors is an obligor under that certain *First Lien Term Loan Agreement*, dated as of November 8, 2016 (as amended, restated, amended and restated, supplemented, or otherwise modified from time to time, the "**Non-PTL Credit Agreement**", and the credit facility issued thereunder, the "**Non-PTL Facility**"), by and among Dawn Intermediate, as holdings; Serta Simmons Bedding, SSB Manufacturing, and NBC, as borrowers; the lenders from time to time party thereto (the "**Non-PTL Lenders**", and together with the PTL Lenders, the "**Term Loan Lenders**"); and UBS AG, Stamford Branch, as administrative agent and collateral agent (in such capacity and including any successors thereto, the "**Non-PTL Agent**"). The Non-PTL Facility is guaranteed by each of the Guarantors, and the obligations thereunder are secured by the same collateral as, and on a *pari passu* basis with, the obligations under the PTL Facility. As of the Petition Date, the Debtors had outstanding indebtedness of approximately $862 million under the Non-PTL Facility.

4. Intercreditor Agreements

33. The relative rights and priorities of the PTL Lenders and the Non-PTL Lenders in the collateral securing the obligations under the PTL Facility and Non-PTL Facility are governed by that certain First Lien Intercreditor Agreement, dated as of June 22, 2020 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**First Lien Intercreditor Agreement**"), by and among each of the Debtors, the PTL Agent, the Non-PTL Agent, and each other person party thereto from time to time.

34. The relative priorities and rights in the collateral of the PTL Lenders and the Non-PTL Lenders, on the one hand, and the ABL Lenders, on the other, are governed by that certain ABL Intercreditor Agreement, dated as of November 8, 2016 (as amended, restated,

amended and restated, supplemented or otherwise modified from time to time, the "**ABL Intercreditor Agreement**" and, together with the First Lien Intercreditor Agreement, the "**Intercreditor Agreements**"), by and among each of the Debtors, UBS AG, Stamford Branch, as the ABL Agent, the PTL Agent, and the Non-PTL Agent, and each other person party thereto from time to time.

35. The Intercreditor Agreements control the lenders' rights and obligations with respect to, among other things, priority of interests in collateral, matters of debtor-in-possession financing, the use of cash collateral, and adequate protection. The ABL Intercreditor Agreement provides, among other things, that subject to certain requirements, no PTL Lender or Non-PTL Lender may object to debtor in possession financing secured by, or the use of cash collateral constituting, ABL Priority Collateral (as defined in the ABL Intercreditor Agreement). *See* ABL Intercreditor Agreement, § 6.1.

5. Other Debtor Obligations

i. **Surety Bonds**

36. Surety bonds provide financial performance assurance to third parties on behalf of certain subsidiaries for obligations including, but not limited to, the U.S. Customs and Border Protection Agency ("**CBPA**") to secure the Debtors' payment or performance of obligations in connection with its customs bonds (i.e., contracts between the Debtors (as importer), a surety, and the CBPA (the "**Surety Bond Program**"). Customs bonds govern importer compliance with CBPA regulations, guarantees that the CBPA receives payment of any potential duties, taxes and fees that may accrue, and allows the CBPA to clear a shipment without having to wait for additional payments. The Debtors have two continuous customs bonds with the CBPA.

37. The Company's liability with respect to any surety bond is released once the obligations secured by the surety bond are performed. Surety bond providers generally have the right to request additional collateral or request that such bonds be replaced by alternate surety providers, in each case upon the occurrence of certain events. As of the Petition Date, the Debtors have $1.5 million in outstanding surety bonds, which obligations are partially collateralized by (i) letters of credit in the approximate amount of $250,000 issued for the benefit of Avalon Risk Management Insurance Agency; and (ii) a letter of credit in the approximate amount of $500,000 issued for the benefit of Avalon Risk Management Insurance Agency.

ii. **Ongoing General Unsecured Claims**

38. In the ordinary course of business, the Debtors utilize certain vendors and service providers who supply essential raw materials used in manufacturing their bedding products, and services used in selling and distributing their bedding products, including raw materials, shipping services, and IT services (the "**Ongoing General Unsecured Creditors**"). The Ongoing General Unsecured Creditors are a vital part of the Debtors' ongoing business, and an interruption in the flow of goods and services from such creditors would have an immediate impact on the Debtors' ability to continue operating. As of the Petition Date, the Debtors owe approximately $150 million in respect of trade debt and other potential liabilities.

iii. **Other General Unsecured Claims**

39. As of the Petition Date, the Debtors also owe approximately $30 million in respect of general unsecured claims and other potential liabilities not owed to creditors vital to the operation of the Debtors' business, including certain rejection damages claims.

iv. **Equity**

40. As discussed above, Advent owns approximately 60% of the equity interests in Dawn Holdings, Inc., the Debtors' ultimate parent. The remaining equity is owned by, among other holders, Ares, OTPP, certain current and former employees and directors of the Company, and the founders and other prior owners of Tuft & Needle.

C. Ongoing Litigation

41. The Debtors are subject to a number of prepetition lawsuits, including among others:

42. 2021 Non-PTL Federal Court Litigation. In July 2020, I understand that Non-PTL Lenders LCM XXII LTD and certain related funds advised by LCM Asset Management LLC (the "**LCM Plaintiffs**") sued Serta Simmons Bedding, among others, in the United States District Court for the Southern District of New York, asserting that the 2020 Transaction constituted a breach of contract and a breach of the implied covenant of good faith and fair dealing. In March 2021, the court dismissed the plaintiffs' suit for lack of subject matter jurisdiction.

43. In May 2021, I understand that the plaintiffs refiled their suit in the United States District Court for the Southern District of New York, naming Serta Simmons Bedding as the sole defendant to resolve the prior jurisdictional issue (the "**Non-PTL Federal Court Litigation**"). In the re-filed lawsuit, the plaintiffs alleged, among other things, that entry into the 2020 Transaction violated the terms of the Non-PTL Term Loan Agreement and the implied covenant of good faith and fair dealing. In March 2022, the motion to dismiss was granted in part and denied in part. The Non-PTL Federal Court Litigation is currently pending in the United States District Court for the Southern District of New York but is stayed as a result of the automatic stay.

44. Non-PTL State Court Litigation. In June 2020, I understand that certain of the Company's Non-PTL Lenders, including funds managed by Angelo, Gordon Management LLC, and Gamut Capital Management LP, sued Serta Simmons Bedding and certain of the PTL Lenders in the Supreme Court of the State of New York, seeking to enjoin Serta Simmons Bedding from completing the 2020 Transaction. I also understand that North Star Debt Holdings, L.P., an affiliate of funds managed by Apollo Global Management, Inc. ("**Apollo**") was also a party to the lawsuit, despite a dispute as to whether Apollo is a "disqualified institution" under the Non-PTL Term Loan Agreement and whether it holds any loans under the Non-PTL Term Loan Agreement and is therefore disallowed from holding loans issued under the Non-PTL Term Loan Facility. The court denied the injunction, allowing the closing and consummation of the 2020 Transaction. I understand that the plaintiffs were subsequently permitted to discontinue their lawsuit in state court without prejudice.

45. In November 2022, certain of the Company's Non-PTL Lenders, including funds managed by Angelo, Gordon Management LLC, Apollo Management Holdings, L.P., Gamut Capital Management LP, Contrarian Capital Management, L.L.C., Alcentra NY LLC, and Z Capital Group L.L.C., refiled their lawsuit against Serta Simmons Bedding and certain of the PTL Lenders, alleging, among other things, that Serta Simmons Bedding and certain such PTL Lenders breached the terms of the Non-PTL Credit Agreement and the implied covenant of good faith and fair dealing when they entered into the 2020 Transaction (the "**Non-PTL State Court Litigation**", and together with the Non-PTL Federal Court Litigation, the "**2020 Transaction Litigation**"). Entities affiliated with Apollo are also a party to the litigation against the Debtors, joining in all claims and also seeking a declaratory judgment to resolve the dispute over its status as a "disqualified institution" and require Serta Simmons Bedding to execute assignments of loans

under the Non-PTL Term Loan Agreement The Non-PTL State Court Litigation is currently pending in New York state court but is stayed as to Serta Simmons Bedding as a result of the automatic stay. Serta Simmons Bedding has moved in the Bankruptcy Court to extend the automatic stay to its co-defendants, the PTL Lenders.

46. Minority Licensee Arbitration. As explained above, Serta Simmons Bedding and NBC own approximately 82% of Serta. The remaining approximately 18% is owned by the Minority Licensees. Several disputes have arisen between the parties in recent years, driven by claims that Serta Simmons Bedding's and NBC's management of the Serta® brand has allegedly favored Serta Simmons Bedding's other mattress brands over the Serta® brand. Serta Simmons Bedding and NBC deny those allegations.

47. In December 2020, I understand that the Minority Licensees named Serta Simmons Bedding and NBC as respondents in an arbitration alleging, among other things, breach of fiduciary duty, antitrust violations, breach of contract, and tortious interference with contracts and prospective business relationships. The Minority Licensees seek monetary relief in an amount to be determined and certain non-monetary forms of relief. The arbitration, styled *AW Industries, Inc. et al. v. Serta Simmons Bedding LLC, et al.* Case No. 01200093145, is before the American Arbitration Association. To be clear, Serta Simmons Bedding and NBC deny each of the allegations made by the Minority Licensees in full.

48. In January 2021, the parties agreed to stay the arbitration to attempt to resolve their disputes through mediation; however, these negotiations ultimately proved unsuccessful, and a definitive agreement was never reached. On September 8, 2022, the Minority Licensees notified the American Arbitration Association that they intended to recommence the arbitration. On November 14, 2022, the Minority Licensees filed an amended arbitration demand

asserting most of the same claims (excluding the antitrust and tortious interference claims), which are disputed by the Company.

49. The arbitration is currently pending, and if the arbitration proceeds, Serta Simmons Bedding and NBC expect to file an answering statement to the Minority Licensees' amended demand as well as counterclaims against the Minority Licensees. I understand that the arbitration with the Minority Licensees is stayed during the pendency of these Chapter 11 Cases.

III. Key Events Leading to Chapter 11

A. Challenges Facing Debtors' Business

50. In addition to its looming maturities and unsustainable capital structure, the Debtors face financial challenges as a result of the downturn of the mattress industry generally. The U.S. bedding industry has been subject to significant disruptions recently, including a decline in industry demand beginning in 2022 as a result of slower economic growth caused by recent geopolitical and macroeconomic uncertainty, as well as reduced consumer spending as a result of higher interest rates. Prior to the demand headwinds, the industry faced significant inflation in raw materials costs, supply chain disruptions, and the adverse market effects created by the COVID-19 pandemic. While the fundamentals of the Debtors' business remain strong, the Debtors are facing significant debt maturities in 2023. Accordingly, the Debtors have filed these chapter 11 cases to implement a comprehensive financial restructuring that will result in a reduction of the Company's funded debt by approximately $1.59 billion and allow it to continue operating as a going concern with a substantially healthier balance sheet.

B. Prepetition Strategic Efforts

51. Prior to filing these chapter 11 cases, I understand that the Debtors attempted to address their capital structure and liquidity needs without the need for an in-court restructuring. At the outset of its strategic review process, in 2019, the Company found itself over-

levered and in need of additional liquidity to fund its operations. Despite what I understand was an exhaustive marketing process and outreach to third parties, the most compelling terms came from certain of the Company's existing lenders, who were willing to provide new money financing on a super-priority basis. When the 2020 Transaction closed in June 2020, the Company received an infusion of $200 million in new money, providing it with the breathing space necessary to avoid an unplanned restructuring process that would not have maximized enterprise value. However, given the Company's substantial debt burden, I understand that it remained in need of a comprehensive solution to right-size its balance sheet.

52. The COVID-19 pandemic exacerbated this reality. I understand that supply chain disruptions and reduced consumer demand resulted in a significant contraction of the Company's business, and while the Debtors were able to weather the difficulties in 2020 and 2021, in April 2022, the Debtors, through Evercore, initiated outreach to approximately twenty (20) potential third-party financing parties seeking proposals to refinance its existing capital structure. Ultimately, however, I understand that the Debtors did not receive any proposals through this competitive financing process and, as a result, shifted their focus to engagement with their current lenders regarding the terms of a comprehensive restructuring.

53. In September 2022, the Company and Advisors began actively engaging in discussions and negotiations regarding restructuring alternatives with (i) an ad hoc group of PTL Lenders (the "**PTL Lender Group**"), represented by Gibson, Dunn & Crutcher LLP, as legal counsel, and Centerview Partners LLC, as investment banker (the "**PTL Advisors**"), (ii) an ad hoc group of Non-PTL Lenders under the Non-PTL Term Loan Facility (the "**Non-PTL Term Loan Lender Group**") represented by Paul, Weiss, Rifkind, Wharton & Garrison LLP, as legal counsel, and PJT Partners, Inc., as investment banker (the "**Non-PTL Advisors**" and, together with the

PTL Advisors, the "**Lender Group Advisors**"). In October 2022, the Lender Group Advisors executed non-disclosure agreements and received access to a virtual data room maintained by the Company containing over 19,000 pages for the purpose of assessing a potential restructuring transaction.

54. Shortly thereafter, in November 2022, the Non-PTL Term Loan Lender Group filed a complaint commencing renewed litigation against Serta Simmons Bedding and the PTL Lender Group with respect to the 2020 Transaction—*i.e.*, the Non-PTL State Court Litigation—and, on the same day, sent a restructuring proposal to the Company and the PTL Lender Group that the Company and the PTL Lender Group ultimately deemed was unactionable and out of proportion with the Non-PTL Lenders' rights. In light of the Non-PTL State Court Litigation, the Company revoked data room access for the Non-PTL Advisors.

55. With the 2020 Transaction Litigation in the background, the Debtors continued to have constructive discussions with the PTL Lender Group. In November 2022, certain members of the PTL Lender Group executed non-disclosure agreements (the "**PTL Holder NDAs**") and attended in-person meetings in New York with the Debtors' management team to discuss the Debtors' financial performance and go-forward business plan. Such discussions ultimately led to the exchange of term sheets between the Debtors and PTL Lender Group setting forth indicative terms of a potential restructuring transaction, including potential treatment of the Non-PTL Claims. In December 2022, four (4) members of the Non-PTL Term Loan Lender Group signed non-disclosure agreements with the Company to receive diligence in connection with settlement discussions. In subsequent meetings among the Advisors, PTL Advisors, Non-PTL Advisors, and certain principals from the PTL Lender Group and the Non-PTL Term Loan Lender Group, the parties negotiated further and exchanged multiple settlement proposals.

56. The Company's business-plan diligence with the PTL Advisors and PTL Lender Group continued for nearly five (5) months, from September 2022 through January 2023. The Debtor held several diligence sessions with the PTL Lender Group and PTL Advisors to elaborate on, among other topics: (i) expected views of the bedding market in 2023-24, (ii) the Company's 2023 budget and long-range business plan, (iii) pricing, product mix, and channel engagement strategies, (iv) ongoing and planned cost-saving actions, and (v) value-accretive capital expenditure projects. The Company and its Advisors also comprehensively addressed over one hundred (100) diligence questions by the PTL Lender Group and PTL Advisors in an effort to instruct them on various aspects of the Debtors' financial performance and go-forward business plan.

C. Restructuring Support Agreement and Plan

57. On January 23, 2023, following months of extensive, arm's-length negotiations, the Debtors reached an agreement with certain members of the PTL Lender Group on the Restructuring Support Agreement, including the Plan, pursuant to which the Consenting Creditors (representing approximately 78% of the PTL Facility) and the Consenting Equity Holders have agreed to support the Restructuring as set forth in the Plan, which will result in a reduction of the Company's funded indebtedness by approximately $1.59 billion. The Plan and the Restructuring Support Agreement are the culmination of the Company's years-long effort to right-size its balance sheet for the go-forward health of the Company. The reduced debt burden and exit financing anticipated under the Plan will provide the Debtors with sufficient liquidity, not only to continue funding their operations, but to make the necessary capital expenditures and investments to ensure that the Company will remain an industry leader in mattresses and other sleep products.

58. While discussions with the Non-PTL Term Loan Lender Group have not yet resulted in a consensual settlement (as of the Petition Date), the Debtors and the PTL Lender Group intend to continue constructive discussions with the Non-PTL Lenders during these chapter 11 cases. Ultimately, the Debtors and Advisors view the 2020 Transaction Litigation as the sole remaining impediment to a comprehensive restructuring of the Company's balance sheet, and accordingly intend to resolve such litigation during the pendency of these chapter 11 cases so that the Debtors and their management can re-focus their efforts on the operation of their business.

D. DIP to Exit Financing

59. To fund operations during these chapter 11 cases, pursuant to the *Emergency Motion of Debtors for Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting (A) Liens and Providing Claims with Superpriority Administrative Expense Status and (B) Adequate Protection to Certain Prepetition Lenders, (III) Modifying Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief* (the "**DIP Motion**"), the Debtors have secured postpetition financing (the "**DIP Financing**") in the form of a superpriority senior secured debtor-in-possession asset-based loan ("**ABL**") credit facility in an aggregate principal amount of $125,000,000 (the "**DIP Facility**"), to be provided by Eclipse Business Capital, LLC, as administrative agent (in such capacity, the "**DIP Agent**"), and the lenders from time to time party thereto (the "**DIP Lenders**" and each a "**DIP Lender**").o be led by Eclipse Business Capital, LLC.

60. As set forth more fully in the *Declaration of Brent T. Banks in Support of Emergency Motion of Debtors for Interim and Final Orders (I) Authorizing Debtors to (A) Obtain Postpetition Financing and (B) Use Cash Collateral, (II) Granting (A) Liens and Providing Claims with Superpriority Administrative Expense Status, (B) Adequate Protection to Certain*

Prepetition Lenders, (III) Modifying Automatic Stay, (IV) Scheduling a Final Hearing, and (V) Granting Related Relief, the Debtors determined to enter into the DIP Facility following an extensive prepetition marketing process during which Evercore contacted existing lenders, traditional lenders, and alternative lenders. In total, Evercore contacted twenty-two (22) parties, of which eleven (11) parties executed non-disclosure agreements. Ultimately, the DIP Lenders provided the most favorable terms, and on the Effective Date, claims under the DIP Facility will be indefeasibly paid in full in Cash upon the Effective Date, and all letters of credit issued under the DIP Credit Agreement shall be cash collateralized in accordance with the terms of the DIP Credit Agreement, unless otherwise agreed to by the Debtors, DIP Agent, and DIP Lenders.

IV. The First Day Motions

61. The First Day Motions seek relief to allow the Debtors to meet necessary obligations and fulfill their duties as debtors in possession. I am familiar with the contents of each First Day Motion and believe that the relief sought in each First Day Motion is necessary to enable the Debtors to operate in chapter 11 with minimal disruption or loss of productivity and value, constitutes a critical element in the success of these chapter 11 cases, and best serves the Debtors' estates and creditors' interests. The facts set forth in each First Day Motion are incorporated herein by reference. Capitalized terms used but not otherwise defined in this section of this Declaration shall have the meanings ascribed to them in the relevant First Day Motions. Below is an overview of each of the First Day Motions.

A. Joint Administration Motion

62. Pursuant to the *Emergency Motion of Debtors Pursuant to Bankruptcy Rule 1015(b) and Bankruptcy Local Rule 1015-1 for Order Directing Joint Administration of Chapter 11 Cases* filed concurrently herewith, the Debtors request entry of an order directing consolidation of these chapter 11 cases for procedural purposes only. The Debtors are all under common

ownership under Dawn Intermediate. I believe joint administration of the Debtors' chapter 11 cases will save the Debtors and their estates substantial time and expense by removing the need to prepare, replicate, file, and serve duplicative notices, applications, and orders. Further, I believe that joint administration would relieve the Court of entering duplicative orders and maintaining duplicative files and dockets. The United States Trustee for the Southern District of Texas (the "**U.S. Trustee**") and other parties in interest would similarly benefit from joint administration of these cases, sparing them the time and effort of reviewing duplicative pleadings and papers.

63. I believe that joint administration would not adversely affect any creditors' rights because the Debtors' motion requests only the administrative consolidation of these cases for procedural purposes. It does not seek substantive consolidation of the Debtors' estates. Accordingly, I believe that joint administration of these chapter 11 cases is in the best interests of the Debtors, their estates, and all other parties in interest and should be granted in all respects.

B. Scheduling Motion

64. Pursuant to the terms of the Restructuring Support Agreement, the Consenting Creditors have agreed to support the Plan, provided that certain terms, conditions and milestones are satisfied, including that the Confirmation Hearing commence no later than May 22, 2023 and that the order confirming the Plan be entered no later than June 5, 2023. To ensure that the Plan is timely confirmed, the Debtors seek to resolve a number of outstanding litigation issues related to the 2020 Transaction pursuant to the Adversary Proceeding. I understand that the outcome of the Adversary Proceeding will dictate how distributions under the Plan are made and is therefore central to confirmation of the Plan. Accordingly, to confirm the Plan on the four-month timeline set forth in the Restructuring Support Agreement, with the

Scheduling Motion, the Debtors are requesting that the Court enter an order scheduling certain dates in connection with the confirmation of the Plan and the Adversary Proceeding, including:

i. a hearing on March 23, 2023 to consider approval of the Disclosure Statement and certain deadlines related thereto;

ii. a hearing on May 8, 2023 to consider confirmation of the Plan;

iii. certain dates and deadlines in connection with the Confirmation Hearing and all related discovery; and

iv. scheduling certain dates and deadlines in connection with the Adversary Proceeding.

65. I believe that the delay associated with an unnecessarily extended discovery and confirmation schedule would risk erosion of business value and that an efficient schedule is in the best interest of all stakeholders. Based on the foregoing, I believe that the relief requested in the Scheduling Motion is reasonable under the circumstances, is in the best interests of the Debtors, their estates, and all other parties in interest, and should be granted in all respects.

C. Cash Management Motion

66. Pursuant to the *Emergency Motion of Debtors for Interim and Final Orders (I) Authorizing Debtors to (A) Continue their Existing Cash Management System, (B) Maintain Existing Business Forms and Intercompany Arrangements, (C) Continue Intercompany Transactions, and (D) Continue Utilizing Employee Credit Cards and P-Card Programs; and (II) Granting Related Relief* filed contemporaneously herewith (the "**Cash Management Motion**"), the Debtors request authority to: (i) continue participating in the Debtors' existing cash management system (the "**Cash Management System**"), including, without limitation, to continue to maintain the Debtors' existing bank accounts and business forms; (ii) implement changes to the Cash Management System in the ordinary course of business insofar as such changes relate to the Debtors' participation in or control of the Cash Management System,

including, without limitation, opening new or closing existing bank accounts owned by the Debtors; (iii) continue utilizing the Amex Employee Credit Cards and Amex P-Cards (as defined below) and pay all obligations related thereto; (iv) continue to perform under and honor intercompany transactions in the ordinary course of business, and make certain payments on behalf of certain non-debtor affiliates; (v) provide administrative expense priority for postpetition intercompany claims against the Debtors; and (vi) honor and pay all prepetition and postpetition Bank Fees (as defined below) payable by the Debtors. The Debtors are also requesting that the Court authorize the Banks to continue to charge bank fees, if any, and to charge back returned items to the bank accounts, whether such items are dated before, on, or after the commencement of these chapter 11 cases.

67. As described more fully in the Cash Management Motion, in the ordinary course of their business, the Debtors have historically used the Cash Management System to collect receipts and to fund their operations, as well as the operations of certain non-debtor affiliates. It is my understanding that the Cash Management System is tailored to meet the Debtors' needs. The Cash Management System allows the Debtors to efficiently collect and transfer the cash generated by their business and pay their financial and other obligations. It also enables the Debtors to facilitate cash forecasting and reporting, monitor collection and disbursement of funds, and maintain control over the administration of the Debtors' approximately 21 bank accounts (together with any other bank accounts the Debtors may open in the ordinary course of their business, the "**Bank Accounts**") owned by the Debtors and maintained with multiple banks (each a "**Bank**" and collectively, the "**Banks**"). All of the Bank Accounts are maintained with authorized depositories under the Operating Guidelines and Reporting Requirements for Debtors in Possession and

Trustees (the "**UST Operating Guidelines**") published by the Office of the United States Trustee for Region 7.

68. The Debtors' primary Bank is Wells Fargo Bank, N.A. ("**Wells Fargo**"), where the Debtors maintain 17 of the 21 Bank Accounts. The Debtors also maintain Bank Accounts with 3 other Banks in addition to Wells Fargo: Citibank, N.A. ("**Citibank**"), JPMorgan Chase Bank, N.A. ("**JPMorgan**"), and BMO Harris Bank, N.A. ("**BMO Harris**"), as listed on Schedule 1 annexed to the Cash Management Motion.

69. As described more fully in the Cash Management Motion, the Debtors engage in intercompany transactions with each other and with certain of their Non-Debtor Affiliates in the ordinary course of their business (collectively, the "**Intercompany Transactions**" and each intercompany receivable and payable generated pursuant to an Intercompany Transaction, an "**Intercompany Claim**"). The Intercompany Transactions are documented and the Debtors can ascertain, trace, and account for the transactions at all times. Because there may be Intercompany Claims as a result of these transactions, and in order to ensure that each Debtor will not fund, at the expense of its creditors, the operations of another entity, the Debtors have requested that all postpetition Intercompany Transactions occurring in the ordinary course of business be accorded administrative expense status. As a result of such administrative expense status, each entity utilizing the funds flowing through the Cash Management System will continue to bear ultimate repayment responsibility for these ordinary course transactions.

70. The Debtors are further requesting that the Court authorize the Banks to receive, process, honor, and pay, at the Debtors' direction and to the extent of funds on deposit, any and all checks drawn or electronic funds transfers requested or to be requested by the Debtors

relating to the relief sought in the First Day Motions. Without the ability to transfer funds through banks and financial institutions, the Debtors will not be able to operate or reorganize.

71. I believe that any disruption to the Debtors' Cash Management System would have a severe and adverse impact upon the Debtors' reorganization efforts. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Cash Management Motion is in the best interests of the Debtors' estates and all parties in interest and should be granted.

D. Vendor Motion

72. Pursuant to the *Emergency Motion of Debtors for Interim and Final Orders (I) Authorizing Debtors to Pay (A) Critical Vendor Claims, (B) Lien Claims, (C) 503(B)(9) Claims, and (D) Certain Royalties; and (II) Granting Related Relief* filed contemporaneously herewith (the "**Vendor Motion**"), the Debtors are requesting (i) authority, but not direction, to pay in the ordinary course of business, based on their sound business judgment, (a) prepetition amounts owed to (1) Critical Vendors (as defined below), (2) Lien Claimants (as defined below), and (3) certain vendors that have delivered goods to the Debtors in the ordinary course of business within twenty (20) days before the Petition Date and whose prepetition claims are thus entitled to administrative expense priority status under section 503(b)(9) of the Bankruptcy Code (the "**503(b)(9) Claimants**", and such 503(b)(9) Claimants' prepetition claims, the "**503(b)(9) Claims**") and (b) certain royalties that are payable to the Minority Licensees (as defined below) of Serta, Inc. ("**Serta Royalties**") and (ii) related relief.

73. The Debtors' senior management and financial advisors undertook a thorough analysis using certain criteria described more fully in the motion to determine which of the Debtors' vendors are critical to their ability to continue manufacturing and distributing bedding

products (the "**Critical Vendors**", and such Critical Vendors' prepetition claims, the "**Critical Vendor Claims**"). Based on this criteria, the Debtors identified the Critical Vendors, which include, but are not limited to: (a) raw material suppliers, (b) marketing and advertising providers, and (c) providers of certain essential services such as information technology and fire, safety, and security.

74. Because the Debtors' employ a "just-in-time" manufacturing process whereby they manufacture and ship the majority of their bedding products within several days of their receipt of an order and the Debtors typically maintain only minimal levels of raw materials needed to manufacture their finished products, it is crucial that the Debtors have continued and uninterrupted access to the goods, materials and services provided by the Critical Vendors.

75. While the Debtors seek authority to pay their Critical Vendors, the Debtors do not propose to pay all amounts outstanding immediately. Instead, the Debtors propose to determine, in the exercise of their business judgment and based upon the liquidity available to them at the time such determination is made, which Critical Vendor Claims, and in what amounts, will be paid, and the schedule for any such payments. I believe that payment of the Critical Vendor Claims will not create an imbalance in the Debtors' cash flow because payment of these claims will allow the Debtors to continue manufacturing and selling their products, which, in turn, will generate additional revenues from which the Debtors and their creditors will benefit.

76. In addition to payment of the Critical Vendor Claims, the Debtors seek authority to pay certain third parties, including warehousemen, transporters, shippers, and other vendors (collectively, the "**Lien Claimants**" and the Lien Claimants' prepetition claims, the "**Lien Claims**") that the Debtors believe have created, or could give rise to, a lien against the Debtors' property, regardless of whether the particular Lien Claimant has already perfected its interests.

The Lien Claimants provide a number of key goods and services for the Debtors in the maintenance and operation of their manufacturing facilities, including manufacturing, transportation services, construction services, inventory management, and other services that are vital to the Debtors' enterprise. I believe that payment of the Lien Claims will not create an imbalance in the Debtors' cash flow because payment of these claims will allow the Debtors to continue to fully operate their businesses and maintain their business operations as they transition into chapter 11, without the risk of such claimants asserting statutory liens against the Debtors' equipment and/or materials in their possession.

77. Furthermore, the Debtors seek authority to grant administrative expense status to all undisputed 503(b)(9) Claims. In the ordinary course of the Debtors' business, numerous vendors and suppliers, including the Critical Vendors, provide the Debtors with materials that are necessary to operate their business. The Debtors may have outstanding orders with these vendors for goods ordered prepetition but not yet delivered or performed. As a result of the chapter 11 cases, these vendors may be concerned that postpetition delivery of goods pursuant to a prepetition outstanding order will render the vendor a general unsecured creditor and may, therefore, refuse to ship or deliver materials to the Debtors. In order to avoid disruption in the delivery of goods, the Debtors seek (a) authorization to grant such 503(b)(9) Claims administrative expense status under section 503(b) of the Bankruptcy Code for undisputed obligations arising from the postpetition delivery or performance of outstanding orders, and (b) out of an abundance of caution, authorization to satisfy such undisputed obligations to vendors in the ordinary course of business under section 363(c) of the Bankruptcy Code. Absent such relief, the Debtors may be required to expend substantial time and effort reissuing or reaffirming the Outstanding Orders to provide the vendors with assurance of administrative priority.

78. Lastly, the Debtors seek authority to pay all amounts owed to the Minority Licensees on account of the domestic and international royalties, whether arising pre-petition or postpetition, pursuant to the governing agreements. Specifically, the Debtors make annual payments to the Minority Licensees in the amount of approximately 18% of international royalties net of international licensing costs, fees, and expenses, while approximately 18% of gross domestic royalties are typically remitted quarterly to the Minority Licensees.

79. Based upon the foregoing, I believe that the relief requested is essential, appropriate and in the best interests of the Debtors, their creditors and all parties in interest.

E. Customer Related Programs Motion

80. In the ordinary course of their business, the Debtors engage in certain customary activities to develop and sustain positive relationships with their Customers. To that end, the Debtors have implemented various customer-related programs designed to ensure their satisfaction and loyalty, increase sales, respond to competitive pressures, improve profitability, and generate goodwill for the Debtors and their products. These programs, are necessary to ensure Customer and consumer satisfaction, increased sales, responsiveness to competitive pressures, maintenance of Customer loyalty, improved profitability, and goodwill for the Debtors and their products. The Customer Related Programs are also integral to the Debtors' efforts to stabilize their businesses, promote the continuity and continued vitality of the Debtors' businesses, and ultimately deliver the most value to all stakeholders in the chapter 11 cases.

81. Accordingly, the Debtors seek authority to continue the Customer Related Programs in the ordinary course of business and to perform and honor their prepetition obligations thereunder. Many of the Customer Related Programs are standard practice in the bedding industry and the Customers have come to expect these types of programs to be offered. The Debtors'

inability to honor their Customer Related Programs would place them at a severe disadvantage relative to their competitors. Moreover, the Debtors must continue the Customer Related Programs in order to reassure their customers of the ongoing viability of the Debtors, preserve goodwill, and to maintain critical business relationships.

82. I believe that continuing the Customer Related Programs in the ordinary course of the Debtors' business and performing and honoring prepetition obligations arising under such Customer Related Programs is in the best interests of the Debtors, their estates, and their creditors.

F. Insurance and Surety Bond Motion

83. Pursuant to the *Emergency Motion of Debtors for Interim and Final Orders (I) Authorizing Debtors to (A) Continue Insurance Programs and Surety Bond Program, and (B) Pay Certain Obligations with Respect Thereto; (II) Granting Relief from Automatic Stay with Respect to Workers' Compensation Claims; and (III) Granting Related Relief* filed contemporaneously herewith (the "**Insurance and Surety Bond Motion**") the Debtors request entry of interim and final orders (i) authorizing, but not directing them to (a) continue to maintain and renew, amend, supplement, place, or extend (if necessary) their Insurance Programs and Surety Bond Program in accordance with their applicable insurance policies and indemnity and reimbursement agreements and to continue to perform their obligations with respect thereto during these chapter 11 cases, and (b) pay certain prepetition obligations arising under the Insurance Programs or Surety Bond Program; (ii) modifying the automatic stay to the limited extent necessary to permit the Debtors' employees to proceed with any claims they may have under the Workers' Compensation Program (as defined below); and (iii) granting related relief.

84. In the ordinary course of their operations, I understand that the Debtors maintain workers' compensation, third-party liability, property, and other insurance programs (the "**Insurance Programs**") and incur obligations to pay premiums and other obligations related thereto, including, but not limited to, any broker, advisor or third-party administrator fees, taxes, other fees, collateral, and deductibles, in accordance with, or relating to, their respective insurance policies through several insurance carriers (each, an "**Insurance Carrier**"), including those listed on Exhibit A annexed to the Insurance and Surety Bond Motion.

85. The Debtors are obligated to make premium payments related to General Insurance Programs based upon a fixed rate established and billed by each Insurance Carrier (collectively, the "**Insurance Premiums**"). The Debtors pay approximately $8.0 million in General Insurance Premiums each year, incidental taxes and fees.

86. The Debtors' Insurance Programs include: (i) coverage of workers' compensation and employer's liability (the "**Workers' Compensation Program**"); (ii) coverage of potential third-party liability in connection with the Debtors' business; (iii) coverage of the Debtors' vehicles and related third-party liability; (iv) coverage for property losses; (v) coverage for risks and damages arising from data breaches and other data losses; (vi) coverage for losses arising from acts of terrorism; (vii) coverage of management and directors' and officers' liability; (viii) excess coverage for various Insurance Policies (items (ii) through (viii), the "**General Insurance Programs**"). The Debtors also retain the services of various insurance service providers in connection with maintaining the Debtors' Insurance Programs. Each of these is described more fully in the Insurance and Surety Bond Motion.

87. I understand that, in the ordinary course of business, the Debtors maintain the Workers' Compensation Program for claims arising from, or related to, employment by the

Debtors (the "**Workers' Compensation Claims**"). Sedgwick Claims Management Services serves as the claims administrator under the Workers' Compensation Program. It is my understanding that all jurisdictions in which the Debtors operate require that the Debtors maintain the Workers' Compensation Program. The Workers' Compensation Program covers, among other things, statutory workers' compensation and employer liability claims generally arising from accidents, death, or disease sustained by employees in the course of their employment with the Debtors. Obligations under the Workers' Compensation Program are collateralized by a commercial letter of credit in the amount of approximately $21.7 million. These letters of credit serve as collateral in the event that the Debtors default on their obligations under the Workers' Compensation Programs and the casualty-type (i.e., general liability and automobile) General Insurance Programs.

88. It is my understanding that, under applicable workers' compensation laws, the Debtors may be obligated to pay all or part of a Workers' Compensation Claim directly to an employee, his or her medical providers, or his or her heirs or legal representatives. Accordingly, the Debtors seek to waive both the automatic stay as it relates to Workers' Compensation Claims, the corresponding notice requirements under Bankruptcy Rule 4001(d), and authorization, as necessary, and to the extent required by law or under the Workers' Compensation Program, to pay all or part of a claim related thereto directly to an employee, any of his or her medical providers, or any of his or her heirs or legal representatives, as set forth in the applicable law or policy.

89. In the ordinary course of business, as part of standard import practices, the Debtors are required to post certain surety bonds to the U.S. Customs and Border Protection Agency ("**CBPA**") to secure the Debtors' payment or performance of obligations in connection with its customs bonds (i.e., contracts between the Debtors (as importer), a surety, and the CBPA)

(the "**Surety Bond Program**"). Customs bonds govern importer compliance with CBPA regulations, guarantees that the CBPA receives payment of any potential duties, taxes and fees that may accrue, and allows the CBPA to clear a shipment without having to wait for additional payments. The Debtors have two continuous customs bonds with the CBPA.

90. The premiums for the surety bonds (the "**Surety Premiums**" and, together with the Indemnity Obligations, the "**Surety Bond Obligations**") are generally determined on an annual basis. Payment is remitted by the Debtors when the bonds are issued and annually upon each renewal. In the twelve months preceding the Petition Date, the Surety Premiums totaled approximately $2,750. As of the Petition Date, the Debtors have $1.5 million in outstanding surety bonds, which obligations are partially collateralized by (i) letters of credit in the approximate amount of $250,000 issued for the benefit of Avalon Risk Management Insurance Agency; and (ii) a letter of credit in the approximate amount of $500,000 issued for the benefit of Avalon Risk Management Insurance Agency.

91. I understand that the Debtors maintain the Insurance Programs and Surety Bond Program to help manage and limit the various risks associated with operating their business, which is essential to the preservation of the value of the Debtors' business and properties. I believe it essential that the Debtors maintain the Insurance Programs and the Surety Bond Program, and that they obtain authority to pay certain obligations related thereto, including payments to the insurance service providers. Furthermore, I understand that the Debtors must maintain most or all of the Insurance Programs and the Surety Bond Program to comply with the UST Operating Guidelines, applicable state and federal laws, and other prepetition contracts. Based on the foregoing, I believe that the relief requested in the Insurance and Surety Bond Motion is in the best

interests of the Debtors, their estates, and all other parties in interest and should be granted in all respects.

G. Wages Motion

92. Pursuant to the *Emergency Motion of Debtors for an Order (I) Authorizing Debtors to (A) Pay Prepetition Wages, Salaries, Employee Benefits, and Other Compensation, (B) Maintain Employee Benefits Programs and Pay Related Obligations, and (C) Pay Prepetition Employment Expenses, and (II) Granting Related Relief* filed concurrently herewith (the "**Wages and Benefits Motion**"), the Debtors request entry of an order (i) authorizing but not directing them to (a) pay all Employee Compensation Obligations and Employee Benefit Obligations and related fees, costs, and expenses incident to the foregoing, including amounts owed to third-party service providers and administrators and taxing authorities, and (b) maintain, and continue to honor and pay amounts with respect to, the Debtors' business practices, programs, and policies for their employees as such were in effect prior to the Petition Date and as such may be modified, amended, or supplemented from time to time in the ordinary course of business, and (ii) granting related relief.

93. As described more fully in the Wages and Benefits Motion, the Debtors' employ approximately 3,600 employees in the United States (each, an "**Employee**"). The Employees perform a number of critical functions, including sales, customer service, plant operations, legal, financial, human resources, and other services necessary to operate the enterprise effectively. Certain of the Debtors' Employees are represented by unions and covered by collective bargaining agreements. Without the Employees' continued, uninterrupted services, an effective reorganization of the Debtors will not be possible. In the ordinary course of their operations, the Debtors incur a number of obligations to, or on account of their Employees,

including relating to compensation (the "**Employee Compensation Obligations**"), and benefits ("**Employee Benefits Obligations**", and, together with the Employee Compensation Obligations, the "**Employee Obligations**").

94. The Debtors' Employees are among the most important parts of their business. I believe that any delay in paying or failure to pay prepetition Employee Obligations could irreparably impair the morale of the Debtors' workforce at the time when their dedication, confidence, retention, and cooperation are most crucial. Failure to pay the Employee Obligations could also inflict a significant financial hardship on the families of the Employees. The Debtors cannot risk such a substantial disruption to their business operations, and it is inequitable to put Employees at risk of such hardship. Without the relief requested in the Wages and Benefits Motion, otherwise-loyal Employees may seek other work opportunities, thereby putting at risk the Debtors' continued operation as a reorganized enterprise. Payment of these obligations in the ordinary course of business would enable the Debtors to focus on completing a successful reorganization, which would benefit all parties in interest.

95. In the ordinary course of business, the Debtors incur and pay obligations relating to salaries, wages and other compensation owed to Employees, independent contractors, and staffing firms that provide the Debtors with contingent workers. Additionally, Employees are entitled to reimbursement of certain reasonable and necessary expenses incurred while performing their employment duties, including job related travel and other business related expenses (the "**Expenses**"). I believe that payment of prepetition Expenses is necessary because any other treatment of Employees would be highly inequitable and risk alienation of the Debtors' workforce. Employees who have incurred reimbursable Expenses should not be forced personally to bear the cost of the Expenses, especially because those Employees incurred such Expenses for the Debtors'

benefit, in the course of their employment by the Debtors, and with the understanding that they would be reimbursed for doing so.

96. In the ordinary course of business, the Debtors are required by law to deduct from Employees' gross pay including without limitation, garnishments, child support, spousal support, service charges, and other similar deductions and other pre- and after tax deductions payable pursuant to certain employee benefits plans discussed in the Wages and Benefits Motion (collectively, the "**Deductions**"). In addition to the Deductions, certain laws require the Debtors to withhold amounts from the Employees' gross pay related to federal, state, and local income taxes, Social Security and Medicare taxes for remittance to the appropriate federal, state, or local taxing authority (collectively, the "**Withholdings**"), which the Debtors must match, from their own funds, amounts for Social Security and Medicare taxes and pay, based on a percentage of gross payroll, additional amounts for federal and state unemployment insurance (collectively with the Withholdings, the "**Payroll Taxes**"). I believe that disbursement of the Deductions and payment of the Payroll Taxes would not prejudice other creditors because I have been informed by counsel that such obligations generally give rise to priority claims under section 507(a) of the Bankruptcy Code.

97. As a part of their Employee Compensation Obligations, the Debtors also maintain, in the ordinary course, a variety of employee bonus programs (the "**Employee Bonus Programs**") and have a general practice of paying severance to certain non-insider Employees (the "**Employee Severance Obligations**"). The Employee Bonus Programs and the Employee Severance Obligations are necessary for maintaining positive Employee morale and loyalty, and failure to honor obligations under these programs could cause severe hardship to the Debtors' workforce in a critical time; the programs are integral and necessary for maintaining a stable

workforce and the ultimate successful operation of the Debtors' business. While the Debtors do not seek to pay any prepetition Employee Severance Obligations, the Debtors do seek relief to continue the Employee Severance Obligations on a postpetition basis. The Debtors are not seeking authority to pay or honor any prepetition obligations on account of any severance payments or any severance payments to insiders.

98. The Debtors also make employee benefits available to eligible Employees. The benefits fall within the following categories: (i) employee leave benefits, including personal time off and holidays; (ii) medical, dental, vision, and prescription drug benefits, life insurance, accidental death and dismemberment insurance, disability insurance, and health savings accounts; (iii) retirement savings plans including three 401(k) plans, and (iv) certain other benefits (collectively, the "**Employee Benefits**"). I believe that maintaining the Employee Benefits are critical for maintaining Employee morale during these chapter 11 cases, and to prevent Employees from seeking employment from other companies that offer similar benefits.

99. As described in the Wages and benefits Motion, the Debtors pay fees to third-party administrators and servicers of Employee Compensation Obligations and Employee Benefits Obligations. Third-party administrators assist the Debtors with, among other things, administering of the Employee Benefits, and also assist with payroll servicing and payroll transfer administration in connection with Employee Obligations. I believe that continued payment to third-party administrators is necessary, and without the continued service of these administrators, the Debtors will be unable to continue honoring their obligations to Employees in an efficient and cost-effective manner.

100. The Debtors are not seeking relief to pay prepetition Employee Obligations to any individual Employee or Contractor in excess of the $15,150 cap imposed by section

507(a)(4) of the Bankruptcy Code. I believe that the total amount sought to be paid by the Wages and Benefits Motion is modest compared to the magnitude of the Debtors' overall business. Furthermore, the Debtors have sufficient funds to pay the Employee Obligations in the ordinary course using cash maintained by the Debtors and cash generated through operations. Accordingly, I believe the relief requested in the Wages and Benefits Motion is necessary to avoid immediate and irreparable harm and is in the best interests of the Debtors, their estates, and all parties in interest.

H. Taxes Motion

101. Pursuant to the *Emergency Motion of Debtors for an Order (I) Authorizing Debtors to Pay Certain Prepetition Taxes and Assessments Owed to Taxing Authorities and (II) Granting Related Relief* (the "**Taxes Motion**") filed concurrently herewith, the Debtors request entry of an order (i) authorizing, but not directing, the Debtors to satisfy all Taxes (as defined below) due and owing to various federal, state, and local taxing and regulatory authorities (collectively, the "**Taxing and Regulatory Authorities**") that arose prior to the Petition Date, including all Taxes subsequently determined by audit or otherwise to be owed for periods prior to the Petition Date, and to pay any postpetition amounts that become due and owing to the Taxing and Regulatory Authorities in the ordinary course during these cases.

102. I understand that the taxes and regulatory assessments the Debtors typically incur generally fall into the following categories: Sales and Use Taxes, Property Taxes, Income Taxes, Franchise and Other Taxes, and Regulatory Assessments (each as defined in the Taxes Motion and, collectively, the "**Taxes**"). I understand that approximately $3,102,000 in Taxes relating to periods prior to the Petition Date will come due and owing to the Taxing and Regulatory Authorities after the Petition Date.

103. As more fully described in the Taxes Motion, I understand that failure to pay the Taxes and the Regulatory Assessments, as applicable, may cause the Taxing and Regulatory Authorities to take precipitous action, including, but not limited to, filing liens, preventing the Debtors from conducting business in the ordinary course in the applicable jurisdictions in which they operate, and potentially holding directors and officers personally liable, all of which would disrupt the Debtors' day-to-day business operations, potentially impose significant costs of the Debtors' estates and their creditors, and hinder the Debtors' efforts to successfully reorganize. Based on the foregoing, I believe that the relief requested in the Taxes Motion is in the best interest of the Debtors, their estates, and all parties in interest and should be approved.

I. Utilities Motion

104. Pursuant to the *Emergency Motion of Debtors for an Order (I) Approving Debtors' Proposed Form of Adequate Assurance of Payment to Utility Companies; (II) Establishing Procedures for Resolving Objections by Utility Companies; (III) Prohibiting Utility Companies From Altering, Refusing, or Discontinuing Service; and (IV) Granting Related Relief* filed concurrently herewith (the "**Utilities Motion**"), the Debtors request entry of an order (i) approving the Debtors' proposed form of adequate assurance of payment to the Utility Companies, (ii) establishing procedures for resolving objections by the Utility Companies relating to the adequacy of the Debtors' proposed adequate assurance, (iii) prohibiting the Utility Companies from altering, refusing, or discontinuing service to, or discriminating against, the Debtors on account of the commencement of these chapter 11 cases or outstanding prepetition invoices, and (iv) granting related relief.

105. As more fully described in the Utilities Motion, in the ordinary course of business, the Debtors incur expenses for, among other things, electricity, telecommunications, natural gas, water, waste disposal, and other similar services. I believe that preserving utility services on an uninterrupted basis is essential to the Debtors' ongoing operations.

106. Based on their monthly average for the twelve months prior to the Petition Date, the Debtors estimate that on average, they spend approximately $1,000,000 per month on utility services. To provide additional assurance of payment, the Debtors propose to deposit cash into a segregated account in an amount equal to approximately two weeks' cost of utility services (less any amounts guaranteed pursuant to a letter of credit issued in favor of any such Utility Company that have not been applied to outstanding prepetition amounts), (the "**Adequate Assurance Deposit**"), calculated, where practicable, using the historical average for such payments during the twelve months prior to the Petition Date. The Debtors estimate that the Adequate Assurance Deposit would total approximately $491,000. Such Adequate Assurance Deposit will further assure the Utility Companies of payment for postpetition services.

107. Furthermore, I believe the Adequate Assurance Procedures are necessary for the Debtors to effectuate their chapter 11 strategy without unnecessary and costly disruptions on account of discontinued utility services. If the Adequate Assurance Procedures are not approved, the Debtors likely will be confronted with and forced to address numerous requests by their utility providers at a critical time for their business. I understand that the Debtors' utility providers could unilaterally decide that they are not adequately protected and, therefore, may make exorbitant demands for payment to continue providing service or discontinue providing service to the Debtors altogether. Such an outcome could seriously jeopardize the Debtors' operations and their ability to maximize the value of their estates.

108. Accordingly, on behalf of the Debtors, I respectfully submit that the relief requested in the Utilities Motion is in the best interests of the Debtors' estates, and should be granted.

J. Schedules and Statements Extension Motion

109. Pursuant to *the Emergency Motion of Debtors for an Order Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Current Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and Rule 2015.3 Reports* filed contemporaneously herewith (the "**Schedules and Statements Motion**") the Debtors seek entry of an order extending the deadline by which the Debtors must file their (a) schedules of assets and liabilities, (b) schedules of current income and current expenditures, (c) schedules of executory contracts and unexpired leases, and (d) statements of financial affairs (collectively, the "**Schedules and Statements**") by 45 days, for a total of 59 days from the Petition Date, through and including March 9, 2023 without prejudice to the Debtors' ability to request additional extensions for cause shown.

110. I am advised that section 521 of the Bankruptcy Code and Bankruptcy Rule 1007(c) generally requires debtors to file Schedules and Statements within 14 days after their petition date. I am also advised that under Bankruptcy Rule 1007(c), the Court has the authority to extend the time required for filing the Schedules and Statements "for cause." I believe cause exists for granting the extensions requested in the Schedules and Statements Motion because of the voluminous information the Debtors must compile to complete the Schedules and Statements. Collecting the necessary information requires a significant expenditure of time and effort on the part of the Debtors, their employees, and their professional advisors in the near term, when these resources would be best used to address the immediate needs of the Debtors' business operations.

111. Additionally, pursuant to the Schedules and Statements Motion, the Debtors request the Court grant them an extension of the time until the later of (i) 15 days after the initial meeting of creditors to be held pursuant to section 341 of the Bankruptcy Code (the "**341 Meeting**") and (ii) 45 days from the Petition Date, for the Debtors to either file their initial reports of financial information with respect to entities in which their chapter 11 estates hold a controlling or substantial interest, as set forth in Bankruptcy Rule 2015.3 (the "**2015.3 Reports**"), or file a motion with the Court seeking a modification of such reporting requirements for cause.

112. I have been advised that Bankruptcy Rule 2015.3 requires a debtor, by no later than seven days prior before the date set for the 341 Meeting and no less than every six months thereafter, to file periodic financial reports of the value, operations and profitability of each entity that is not a publicly traded corporation or a debtor in the chapter 11 cases, and in which the estate holds a substantial or controlling interest. I am also advised that pursuant to Bankruptcy Rule 9006(b)(1), the Court has the authority to enlarge the period of time to file the 2015.3 Reports "for cause" and that under Bankruptcy Rule 2015.3(d), the Court can modify the reporting requirements for cause, including that the debtor is "not able, after a good faith effort, to comply with those reporting requirements, or that the information . . . is publicly available."

113. The Debtors consist of 14 separate entities, some of which have non-debtor affiliates that are not publicly traded corporations and in which there is a presumption that the Debtors hold a "substantial or controlling" equity interest. Thus, I believe cause exists to extend the deadline for filing the Rule 2015.3 Reports based on (a) the size and complexity of the Debtors' business and (b) the substantial burdens imposed by compliance with Bankruptcy Rule 2015.3 in the early days of these chapter 11 cases. Extending the deadline for the initial 2015.3 Reports also will enable the Debtors to work with their financial advisors and the U.S. Trustee to determine the

appropriate nature and scope of the 2015.3 Reports and any proposed modifications to the reporting requirements established by Bankruptcy Rule 2015.3.

K. Creditor List Motion

114. Pursuant to the *Emergency Motion of Debtors for Order (I) Authorizing Debtors to (A) File a Consolidated Creditor Matrix and a Consolidated List of 30 Largest Unsecured Creditors and (B) Redact Certain Personal Identification Information and (II) Approving Form and Manner of Notifying Creditors of Commencement of Chapter 11 Cases and Other Information* filed contemporaneously herewith (the "**Creditor List Motion**"), the Debtors are seeking entry of an order (i) authorizing the Debtors to (a) file a consolidated creditor matrix (the "**Consolidated Creditor Matrix**") and a consolidated list of the Debtors' thirty (30) largest unsecured creditors (the "**Consolidated Top 30 Creditors List**") and (b) redact certain personal identification information of the Debtors' employees and independent contractors and (ii) approving the form and manner of notifying creditors of the commencement of these chapter 11 cases and other information.

115. I am advised that Bankruptcy Rule 1007(a) requires each debtor to file a separate mailing matrix, each containing names and addresses of all creditors, including individuals, as well as a separate list of top unsecured creditors for each debtor. Because the preparation of separate lists of creditors for each Debtor would be expensive, time consuming, and administratively burdensome, the Debtors request authority to file one Consolidated Creditor Matrix for all Debtors. Further, because a significant number of creditors may be shared among the Debtors, the Debtors request authority to file the Consolidated Top 30 Creditors List for all Debtors, rather than file separate top 20 creditor lists for each Debtor. I understand that the

Consolidated Top 30 Creditors List will help alleviate administrative burden, costs, and the possibility of duplicative service.

116. I also believe that cause exists to authorize the Debtors to redact address information of the Debtors' current and former employees and independent contractors from the Consolidated Creditor Matrix because such information could be used to perpetrate identity theft. Further, the Debtors propose to provide, upon request, an unredacted version of the Consolidated Creditor Matrix to the Court, the U.S. Trustee, and counsel to any official committees appointed in these chapter 11 cases.

117. Finally, I am advised that, in compliance with the requirements of Bankruptcy Rule 2002(a), of which I have been advised, the Debtors, through Epiq Corporate Restructuring, LLC ("**Epiq**"), their proposed claims and noticing agent, propose to serve the Notice of Commencement (as defined in the Creditor List Motion) on all parties entitled to notice of commencement of these chapter 11 cases, to advise them of commencement of these chapter 11 cases and the section 341 meeting of creditors. I believe service of the Notice of Commencement on the Consolidated Creditor Matrix will not only prevent the Debtors' estates from incurring unnecessary costs associated with serving multiple notices to the parties listed on the Debtors' voluminous Consolidated Creditor Matrix, but will also preserve judicial resources and prevent creditor confusion through the efficient service of critical information.

118. Based on the foregoing, I believe that the relief requested in the Creditor List Motion is in the best interests of the Debtors, their estates, and all other parties in interest and should be granted in all respects.

L. NOL Motion

119. Pursuant to the *Emergency Motion of Debtors Pursuant to Sections 362 And 105(A) of the Bankruptcy Code for Interim and Final Orders Establishing Notification Procedures and Approving Restrictions on (A) Certain Transfers of Interests in, and Claims Against, Debtors, and (B) Claiming of Certain Worthless Stock Deductions* filed contemporaneously herewith (the "**NOL Motion**"), the Debtors are seeking to establish procedures to protect (i) the potential value of the Debtors' carryforwards of net operating losses ("**NOLs**"), disallowed and deferred business interest expense, and certain other tax benefits (including certain state tax attributes) (collectively, the "**Tax Attributes**") for use during the chapter 11 cases and in connection with the reorganization of the Debtors. The Procedures (as defined in the NOL Motion) include separate procedures applicable to (i) the beneficial ownership (including direct and indirect ownership) of membership interests in Dawn Intermediate, LLC ("**Dawn Stock**") and any options or similar rights (within the meaning of applicable U.S. Treasury regulations) to acquire beneficial ownership of such interests, as well as to any claim (for U.S. federal income tax reporting purposes) of a worthless stock deduction under section 165 of title 26 of the United States Code (the "**Tax Code**") by a Majority Holder (as defined in the NOL Motion) with respect to the beneficial ownership of Dawn Stock (a "**Worthless Stock Deduction**").

120. The Debtors have certain Tax Attributes, which I understand include, as of the Petition Date, estimated available NOL carryforwards of approximately $75 million, estimated business interest expense carryforwards of approximately $290 million and certain other favorable Tax Attributes (including certain state tax attributes). I believe the Procedures with respect to transfers in the beneficial ownership (including directly or indirectly) of, and claiming a worthless stock deduction with respect to the beneficial ownership of, the Dawn Stock will allow the Debtors

to monitor the transfer of, and the claiming of a Worthless Stock Deduction by any Majority Holder with respect to, beneficial ownership of the Dawn Stock and thereby preserve their ability to seek the necessary relief if it appears that any such transfer(s) or claim(s) may jeopardize the Debtors' ability to utilize their Tax Attributes.

121. Accordingly, I believe that the relief requested in the NOL Motion is in the best interests of the Debtors, their estates, and all other parties in interest and should be granted in all respects.

M. Claims Agent Retention Application

122. Pursuant to the *Emergency Ex Parte Application for Entry of an Order Authorizing Employment and Retention of Epiq Corporate Restructuring, LLC as Claims, Noticing, and Solicitation Agent* filed concurrently herewith (the "**Claims Agent Retention Application**"), the Debtors request entry of an order appointing Epiq as the claims, noticing, and solicitation agent (the "**Claims and Noticing Agent**") for the Debtors in their chapter 11 cases, effective as of the Petition Date.

123. As more fully described in the Claims Agent Retention Application, the Claims and Noticing Agent will, among other tasks, (i) serve as the noticing agent to mail notices to creditors, equity security holders, and other parties in interest, (ii) provide computerized claims, objection, solicitation, and balloting database services, and (iii) provide expertise, consultation, and assistance in claim and ballot processing and other administrative services with respect to these chapter 11 cases, pursuant to the provisions of the Engagement Agreement (as defined in the Claims Agent Retention Application).

124. The Debtors' counsel has informed me that, pursuant to noticing requirements, the Debtors will be required to provide notice to thousands of persons and entities

during the pendency of these chapter 11 cases. The appointment of Epiq as the Claims and Noticing Agent will provide the most effective and efficient means of providing that notice, as well as soliciting and tabulating votes on the proposed plan of reorganization, thereby relieving the Debtors of the administrative burden associated with all of these necessary tasks. In addition, by appointing Epiq as the Claims and Noticing Agent in these chapter 11 cases, the distribution of notices will be expedited, and the Office of the Clerk of the Bankruptcy Court will be relieved of the administrative burden of noticing. Accordingly, I believe the Claims Agent Retention Application should be granted in all respects.

N. Request for Emergency Consideration

125. Pursuant to the *Request for Emergency Consideration of Certain "First Day" Matters* filed concurrently herewith, the Debtors request emergency consideration of the Joint Administration Motion; the Scheduling Motion; the DIP Motion; the Cash Management Motion; the Vendor Motion; the Customer-Related Programs Motion; the Insurance and Surety Bond Motion; the Wages Motion; the Taxes Motion; the Utilities Motion; the Schedules and Statements Motion; the Creditor List Motion; the NOL Motion; and the Claims Agent Retention Application. I believe that, based on the complexity of these chapter 11 cases (as explained to me by the Debtors' counsel) and the Debtors' urgent need to continue operations during these cases, emergency consideration of such motions is warranted.

V. Conclusion

126. The above describes the Debtors' business and capital structure, the factors that precipitated the commencement of these chapter 11 cases, and the critical need for the Debtors to restructure their financial affairs and operations. The provisions of the Bankruptcy Code will assist the Debtors in achieving their financial reorganization and reestablishing themselves as a

healthy economic enterprise able to effectively compete in their industry for the benefit of their economic stakeholders and employees.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: January 23, 2023
Houston, Texas

Name: John Linker
Title: Chief Financial Officer, Treasurer, and Assistant Secretary

Certificate of Service

I hereby certify that on January 23, 2023, a true and correct copy of the foregoing document was served by the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas, and will be served as set forth in the Affidavit of Service to be filed by the Debtors' proposed claims, noticing, and solicitation agent.

/s/ Gabriel A. Morgan
Gabriel A. Morgan

Exhibit A

Restructuring Support Agreement

EXECUTION VERSION

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTIONS 1125 AND 1126 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE.

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, this "**Agreement**") dated January 23, 2023, is entered into by and among:

(a) Dawn Intermediate, LLC ("**Dawn**") and the direct and indirect wholly owned subsidiaries listed on **Exhibit A** to this Agreement (collectively, the "**Company**", and each, a "**Company Party**");

(b) the undersigned PTL Lenders holding PTL Obligations, in the aggregate, of approximately $798,524,957, comprised of holdings of FLFO Claims and FLSO Claims, each in the aggregate of approximately $157,743,576 and $640,781,381, respectively (collectively, the "**Initial Consenting PTL Lenders**," and together with any PTL Lenders that subsequently become party to this Agreement, solely in their capacity as PTL Lenders, the "**Consenting Creditors**"); and

(c) Dawn Holdings, Inc., as the sole member, and holder of interests in, Dawn; and funds managed by Advent International Corporation, as holders of Interests in Dawn Holdings, Inc. (together, "**Consenting Equity Holders**", each a "**Consenting Equity Holder**").

The Company and each Consenting Creditor, and any subsequent Person that becomes a party hereto in accordance with the terms hereof are collectively referred to herein as the "**Parties**" and each, individually as a "**Party**." Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Plan (as defined below). The terms of the Plan are hereby incorporated and included in the terms of this Agreement. In the event of any inconsistencies between the terms of this Agreement and the Plan, the terms of the Plan shall govern.

RECITALS

WHEREAS, the Parties consent to (as applicable) and have agreed to consummate and support the Restructuring Transactions (as defined herein), on the terms set forth in this Agreement and as specified in the chapter 11 plan of reorganization attached as **Exhibit B** hereto (as may be amended, supplemented, or otherwise modified from time to time in accordance with the terms of this Agreement, the "**Plan**") setting forth the terms and conditions of the Restructuring Transactions; and

WHEREAS, the Company will implement the Restructuring Transactions through commencement by the Company Parties of voluntary cases under chapter 11 of the Bankruptcy Code in the Bankruptcy Court (the cases commenced, the "**Chapter 11 Cases**"); and

WHEREAS, this Agreement, including the Plan, is the product of arm's-length, good faith negotiations among the Parties and each of their respective advisors and sets forth the material terms and conditions of the Restructuring (as defined herein); and

WHEREAS, as of the date hereof, the Initial Consenting PTL Lenders, in the aggregate, hold, own, or control approximately: (i) 81% of the aggregate outstanding principal amount of FLFO Claims, and (ii) 77% of the aggregate outstanding principal amount of the FLSO Claims; and

WHEREAS, the Parties desire to express to each other their mutual support and commitment in respect of the matters set forth in this Agreement, including the Plan.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, on a several but not joint basis, agree as follows:

1. **Certain Definitions.**

As used in this Agreement, the following terms have the following meanings:

(a) "**2020 Transaction**" has the meaning set forth in the Plan.

(b) "**Adversary Complaint**" means the complaint filed by the Debtor and certain of the PTL Lenders commencing an adversary proceeding against certain of the Non-PTL Lenders seeking a declaratory judgment to resolve the claims arising from any pending or future litigation related to the 2020 Transaction.

(c) "**Adversary Proceeding**" means the proceeding commenced by the Adversary Complaint.

(d) "**Agreement**" has the meaning set forth in the preamble to this Agreement.

(e) "**Alternative Restructuring**" means any reorganization, merger, consolidation, tender offer, exchange offer, business combination, joint venture, partnership, sale of all or any material portion of assets, financing (debt or equity), plan proposal, recapitalization, restructuring of the Company Parties, or other transaction of similar effect, other than the Restructuring.

(f) "**Apollo Action**" means that certain action commenced by AG Centre Street Partnership L.P., AG Credit Solutions Non-ECI Master Fund, L.P., AG Super Fund Master, L.P., AG SF Master (L), L.P., et al. in the Supreme Court of the State of New York, County of New York, Index No. 654181/2022.

(g) "**Bankruptcy Code**" means title 11 of the United States Code, 11 U.S.C. §§ 101–1532, as amended.

(h) "**Bankruptcy Court**" means the United States Bankruptcy Court for the Southern District of Texas.

(i) "**Bar Date**" means a general bar date by which all creditors must file proofs of claim in the Chapter 11 Cases and a governmental bar date by which all governmental units must file proofs of claim in the Chapter 11 Cases.

(j) "**Business Day**" means any day, other than a Saturday, a Sunday, or any other day on which banking institutions in New York, New York are required or authorized to close by law or executive order.

(k) "**Chapter 11 Cases**" has the meaning set forth in the recitals to this Agreement.

(l) "**Company**" has the meaning set forth in the preamble to this Agreement.

(m) "**Company Parties**" has the meaning set forth in the preamble to this Agreement.

(n) "**Company Termination Event**" has the meaning set forth in Section 7.03.

(o) "**Confirmation Order**" has the meaning set forth in the Plan.

(p) "**Consenting Claims**" means all Claims against any Company Party held by Consenting Creditors from time to time.

(q) "**Consenting Creditors**" has the meaning set forth in the preamble to this Agreement.

(r) "**Consenting Creditor Termination Event**" has the meaning set forth in Section 7.02.

(s) "**Consenting Equity Holder**" has the meaning set forth in the preamble to this Agreement.

(t) "**Consenting Equity Holder Fees and Expenses**" means the reasonable and documented fees, costs and expenses of Ropes & Gray LLP, as counsel to certain of the Consenting Equity Holders, in connection with the negotiation, formulation, preparation, execution, delivery, implementation, consummation and/or enforcement of this Agreement, the Plan, and/or any of the other Definitive Documents, and/or the transactions contemplated hereby or thereby, and/or any amendments, waivers, consents, supplements or other modifications to any of the foregoing, in an amount not to exceed $200,000.

(u) "**Consenting Equity Holder Retainer**" has the meaning set forth in Section 5(f).

(v) "**Consenting Equity Holder Support Period**" means the period commencing on the latest of (a) the Support Effective Date, (b) the date on which Ropes & Gray, LLP receives the Consenting Equity Holder Retainer, and (c) the date on which the Debtors and Requisite Consenting Creditors determine to effectuate the Restructuring pursuant to the Redemption Transaction and ending on the Termination Date.

(w) "**Dawn**" has the meaning set forth in the preamble to this Agreement.

(x) "**Definitive Documents**" means all of the definitive documents implementing the Restructuring, including, without limitation: (i) the Plan and the Plan Supplement, (ii) the Disclosure Statement and the Solicitation Materials, (iii) the Disclosure Statement Approval Order, (iv) the Confirmation Order, (v) the DIP Credit Agreement; (vi) the DIP Orders; (vii) the DIP Loan Documents; (viii) the Exit ABL Commitment Letter; (ix) the Exit ABL Facility Credit Agreement; (x) the New Term Loan Credit Facility Agreement; (xi) the Adversary Complaint, Scheduling Motion, and Scheduling Order; (xii) New Corporate Governance Documents; (xiii) the New Corporate Governance Documents of Reorganized Parent; (xiv) any Management Incentive Plan allocation and related documents, if applicable; (xv) the New Intercreditor Agreement; (xvi) the Takeback Debt Terms; and (xvii) the First Day Orders; and in each case, any amendments, modifications, and supplements thereto and any related notes, certificates, agreements, documents, and instruments (as applicable).

(y) "**DIP Credit Agreement**" means the senior secured super-priority debtor-in-possession ABL credit agreement attached hereto as **Exhibit F**.

(z) "**DIP Financing**" means the financing by the use of cash collateral and a postpetition senior secured superpriority debtor-in-possession credit facility to the Company Parties on the terms and conditions consistent with the DIP Credit Agreement.

(aa) "**DIP Loan Documents**" has the meaning set forth in the DIP Orders.

(bb) "**DIP Orders**" means, collectively, the Interim DIP Order and the Final DIP Order.

(cc) "**Disclosure Statement**" means the disclosure statement in respect of the Plan, including all exhibits and schedules thereto, as approved or ratified by the Bankruptcy Court pursuant to sections 1125 and 1126 of the Bankruptcy Code, substantially in the form attached hereto as **Exhibit C**.

(dd) "**Disclosure Statement Approval Order**" means the order of the Bankruptcy Court approving the Disclosure Statement and solicitation procedures in connection thereto.

(ee) "**Evercore**" means Evercore Group, L.L.C.

(ff) "**Exit ABL Commitment Letter**" means the commitment letter attached hereto as **Exhibit G** setting forth the terms and conditions of the Exit ABL Facility.

(gg) "**Exit ABL Facility**" has the meaning set forth in the Plan.

(hh) "**Exit ABL Facility Credit Agreement**" has the meaning set forth in the Plan.

(ii) "**Fiduciary Out**" has the meaning set forth in Section 7.03(f).

(jj) **"Final DIP Order"** means the final order entered in the Chapter 11 Cases authorizing the Company's entry into the DIP Financing.

(kk) "**First Day Orders**" means any interim or final orders of the Bankruptcy Court granting the relief requested in the first-day pleadings that the Company Parties determine are necessary or desirable to file in the Chapter 11 Cases.

(ll) "**First Lien Intercreditor Agreement**" means that certain *First Lien Intercreditor Agreement*, dated June 22, 2020, by and among, *inter alios*, the PTL Agent, the Non-PTL Loan Agent, and acknowledged and agreed to by Dawn Intermediate, Serta Simmons Bedding, LLC, a Delaware limited liability company, the other borrowers party thereto and each of the other obligors party thereto.

(mm) "**Initial Consenting PTL Lenders**" has the meaning set forth in the preamble to this Agreement.

(nn) **"Interim DIP Order"** means the interim order entered in the Chapter 11 Cases authorizing the Company's entering into the DIP Financing.

(oo) "**Joinder Agreement**" has the meaning set forth in Section 4.03.

(pp) "**LCM Action**" means that certain action commenced by LCM XXII LTD., LCM XXIII LTD., et al. in the United States District Court for the Southern District of New York, Civil Action No. 1:21-cv-03987.

(qq) "**Management Incentive Plan**" has the meaning set forth in the Plan.

(rr) "**Milestones**" means the "Milestones" set out in **Exhibit E.**

(ss) "**New Corporate Governance Documents**" means the certificate of incorporation, certificate of formation, bylaws, limited liability company agreements, shareholder agreement (if any), operating agreement or other similar organizational or formation documents, as applicable, of the Reorganized Debtors.

(tt) "**New Intercreditor Agreement**" has the meaning set forth in the Plan.

(uu) "**New Term Loan Credit Facility Agreement**" has the meaning set forth in the Plan.

(vv) "**Outside Date**" has the meaning set forth in **Exhibit E**.

(ww) "**Outside Petition Date**" has the meaning set forth in **Exhibit E**.

(xx) "**Party**" or "**Parties**" has the meaning set forth in the preamble to this Agreement.

(yy) "**Permitted Transferee**" has the meaning set forth in Section 4.03.

(zz) "**Petition Date**" has the meaning set forth in **Exhibit E**.

(aaa) "**Plan**" has the meaning set forth in the recitals to this Agreement.

(bbb) "**Plan Effective Date**" means the date on which the conditions to effectiveness of the Plan have been satisfied or waived in accordance with its terms and the Restructuring is consummated.

(ccc) "**Plan Supplement**" has the meaning set forth in the Plan.

(ddd) **"PTL Credit Agreement"** has the meaning set forth in the Plan.

(eee) "**PTL Group**" has the meaning set forth in the Plan.

(fff) "**PTL Group Counsel**" has the meaning set forth in the Plan.

(ggg) "**PTL Group Advisors**" has the meaning set forth in the Plan.

(hhh) "**PTL Lenders**" has the meaning set forth in the Plan.

(iii) "**PTL Loan Documents**" means the "Loan Documents" as defined in the PTL Credit Agreement.

(jjj) "**PTL Obligations**" has the meaning set forth in the Plan.

(kkk) "**Qualified Marketmaker**" has the meaning set forth in Section 4.03.

(lll) "**Qualified Marketmaker Joinder Date**" has the meaning set forth in Section 4.03.

(mmm)"**Redemption Transaction**" means a distribution of cash and/or other property by Serta Simmons Bedding in complete redemption of its equity interests held by Dawn Intermediate, as set forth in the Restructuring Transactions Exhibit, if applicable.

(nnn) "**Reorganized Debtors**" has the meaning set forth in the Plan.

(ooo) "**Reorganized Parent**" has the meaning set forth in the Plan.

(ppp) "**Requisite Consenting Creditors**" means, as of the date of determination, Consenting Creditors holding over 50% in aggregate outstanding principal amount of the PTL Obligations.

(qqq) "**Restructuring Fees and Expenses**" means (i) the Consenting Equity Holder Fees and Expenses; and (ii) all reasonable and documented fees, costs and expenses of each of the PTL Group Advisors, in each case, (A) in connection with the negotiation, formulation, preparation, execution, delivery, implementation, consummation and/or enforcement of this Agreement, the Plan, and/or any of the other Definitive Documents, and/or the transactions contemplated hereby or thereby, and/or any amendments, waivers, consents, supplements or other modifications to any of the foregoing and, to the extent applicable, and (B)(1) consistent with any engagement letters or fee reimbursement letters entered into between the Company, on the one

hand, and the applicable PTL Group Advisors, on the other hand (as supplemented and/or modified by this Agreement), or (2) as provided in the DIP Orders and/or the Confirmation Order.

(rrr) "**Restructuring**" or "**Restructuring Transactions**" has the meaning set forth in the Plan.

(sss) "**Restructuring Transactions Exhibit**" has the meaning set forth in the Plan.

(ttt) "**Scheduling Motion**" means a motion requesting a schedule for the conduct of the Adversary Proceeding.

(uuu) "**Scheduling Order**" means the order entered by the Bankruptcy Court approving the schedule requested by the Company in relation to the schedule for the Adversary Proceeding.

(vvv) "**Securities Act**" means the U.S. Securities Act of 1933, as amended and any rules and regulations promulgated thereby.

(www) "**Solicitation Materials**" m has the meaning set forth in the Plan.

(xxx) "**Support Effective Date**" means the date on which counterpart signature pages to this Agreement shall have been executed and delivered by (i) the Company and (ii) Initial Consenting PTL Lenders holding at least 66⅔% of the aggregate outstanding principal of PTL Obligations.

(yyy) "**Support Period**" means the period commencing on the Support Effective Date and ending on the Termination Date.

(zzz) "**Takeback Debt Terms**" means the term sheet setting forth indicative terms of the New Term Loan attached hereto as **Exhibit H**.

(aaaa) "**Termination Date**" means the date on which termination of this Agreement is effective as to a Party in accordance with Section 7.01, Section 7.02, Section 7.03, or Section 7.04 of this Agreement.

(bbbb) "**Transfer**" has the meaning set forth in Section 4.03.

(cccc) "**Voting Deadline**" has the meaning set forth in the Plan.

(dddd) "**Weil**" means Weil, Gotshal & Manges LLP, as legal advisors to the Company Parties.

2. **Passage of Time**

With respect to any Milestone or other reference of time herein, if the last day of such period falls on a Saturday, Sunday, or a "legal holiday," as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure, such Milestone or other reference of time shall be

extended to the next such day that is not a Saturday, Sunday, or a "legal holiday," as defined in Rule 9006(a) of the Federal Rules of Bankruptcy Procedure; *provided*, for the avoidance of doubt, that any Milestone with respect to a hearing date shall be subject to the Bankruptcy Court's availability.

3. **Restructuring.**

Section 3.01 Plan and Restructuring Transactions.

(a) Confirmation of the Plan. Subject to the terms of this Agreement, the Company Parties will use commercially reasonable efforts to obtain confirmation of the Plan as soon as reasonably practicable after the Petition Date in accordance with the Bankruptcy Code and on terms consistent with this Agreement. Each Consenting Creditor shall use commercially reasonable efforts to cooperate fully and coordinate amongst each other and with the Company in connection therewith. Further, each of the Parties shall take such action (including executing and delivering any other agreements) as may be reasonably necessary or as may be required by order of the Bankruptcy Court, to carry out the purpose and intent of this Agreement (including, without limitation, to provide any information reasonably necessary, or information requested from federal, state, or local regulators, to obtain required regulatory approvals necessary for confirmation of the Plan or consummation of the Restructuring).

(b) Redemption Transaction. If the Restructuring is effectuated pursuant to the Redemption Transaction, the Debtors agree to make a distribution of Cash in the aggregate amount of $1,500,000 to the Consenting Equity Holders and any other holders of Interests in Dawn Holdings, Inc. pursuant to the Plan and in accordance with, and as set forth in, the Restructuring Transactions Exhibit.

Section 3.02 Definitive Documents.

(a) Each of the Definitive Documents and related motions and orders remain subject to negotiation and completion and shall contain terms and conditions consistent in all material respects with this Agreement and the Plan. Upon completion, the Definitive Documents and every other document, deed, agreement, filing, notification, letter, or instrument related to the Restructuring Transactions shall reflect and contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement (including the exhibits and annexes hereto), as they may be modified, amended, or supplemented in accordance with Section 11.

(b) The following Definitive Documents shall otherwise be in form and substance acceptable to the Requisite Consenting Creditors and the Company: (a) the Plan; (b) the Restructuring Transactions Exhibit; (c) the Confirmation Order; (d) the Exit ABL Commitment Letter; (e) the Exit ABL Facility Credit Agreement; (f) the New Term Loan Credit Facility Agreement; (g) the Takeback Debt Terms; (h) the Disclosure Statement Approval Order; (i) the New Corporate Governance Documents; (j) the New Corporate Governance Documents of Reorganized Parent; (k) the Scheduling Order; (l) the New Intercreditor Agreement; (m) the Schedule of Retained Causes of Action; (n) any Management Incentive Plan allocation and related documents, if applicable; and in each case, any amendments, modifications, and supplements thereto and any related notes, certificates, agreements, documents, and instruments (as applicable).

The Definitive Documents other than those referenced in the preceding sentence shall contain terms and conditions consistent in all material respects with this Agreement and the Plan and shall otherwise be in form and substance reasonably acceptable to the Requisite Consenting Creditors and the Company.

(c) The following Definitive Documents shall be consistent with the settlement contemplated herein with respect to the Consenting Equity Holders and the Redemption Transaction (if applicable) and otherwise in form and substance acceptable to the Requisite Consenting Creditors, the Company, and Consenting Equity Holders (but as to the Consenting Equity Holders, only insofar as they relate to the treatment or release of the Consenting Equity Holders thereunder): (a) the Plan; (b) the Restructuring Transactions Exhibit; (c) the Confirmation Order; and in each case, any amendments, modifications, and supplements thereto and any related notes, certificates, agreements, documents, and instruments (as applicable).

4. **Agreements of the Consenting Creditors.**

Section 4.01 Support. Each Consenting Creditor, with respect to each of its respective Consenting Claims, hereby covenants and agrees, severally and not jointly, during the Support Period, that it shall:

(a) cooperate and coordinate activities (to the extent practicable and subject to the terms hereof) with the Company Parties and to use commercially reasonable efforts to support and consummate the Restructuring, including, for the avoidance of doubt, using commercially reasonable efforts to obtain any necessary federal, state, and local regulatory approvals required to obtain confirmation of the Plan or consummate the Plan and the Restructuring contemplated thereby and herein by the Outside Date, on a timeline consistent with the Milestones;

(b) timely vote or cause to be voted, consistent with the Solicitation Materials, all of its Claims (or Claims under its control), including all Claims that are impaired under the Plan, to accept the Plan and not change or withdraw (or cause to be changed or withdrawn) any such vote; *provided* that each Consenting Creditor may change or withdraw its vote following termination of this Agreement;

(c) grant and, if applicable, not opt-out of the release of third-party claims pursuant to the Plan and Confirmation Order;

(d) not directly or indirectly (i) object to, delay, impede, or take any other action to interfere with the Chapter 11 Cases, DIP Financing, or acceptance, confirmation, implementation of the Plan, or the Restructuring Transactions, (ii) propose, support, vote for, encourage, seek, solicit, pursue, initiate, assist, join in, participate in the formulation of or enter into negotiations or discussions with any entity regarding, any Alternative Restructuring, including, for the avoidance of doubt, making or supporting any filings with the Bankruptcy Court or any regulatory agency, or making or supporting any press release, press report or comparable public statement, or filing with respect to any Alternative Restructuring, or (iii) otherwise take any action that would interfere with, delay or postpone the consummation of the Restructuring; *provided* that, the Consenting Creditors shall not be required to give any notice, order, instruction, or direction to any administrative agent, or collateral agent (as applicable) or other such agent or

trustee, if the Consenting Creditors are required to incur any out-of-pocket costs or provide any indemnity in connection therewith;

(e) (i) not direct any administrative agent or collateral agent (as applicable) to take any action inconsistent with such Consenting Creditor's obligations under this Agreement or the Plan, and (ii) if any applicable administrative agent or collateral agent takes any action inconsistent with such Consenting Creditor's obligations under this Agreement or the Plan, such Consenting Creditor will use its commercially reasonable efforts to direct such administrative agent or collateral agent (A) to cease, desist, and refrain from taking any such action, and (B) to take such action as may be necessary to effect the Restructuring, including, but not limited to, enforcement of the First Lien Intercreditor Agreement, and joining and supporting the Debtors in enforcing the First Lien Intercreditor Agreement should the Debtors determine that it is necessary to do so to implement the Restructuring;

(f) complete, enter into, and effectuate the agreed Definitive Documents (as applicable) within the timeframes contemplated herein;

(g) promptly inform, subject to its confidentiality obligations or applicable law, Weil in writing (email being sufficient) as soon as reasonably practicable after becoming aware (and in any event within three (3) Business Days after becoming so aware) of the threat or commencement of any material lawsuit, investigation, hearing or enforcement action from or by any person or entity in respect of any Company Party or any subsidiary or affiliate of a Company Party;

(h) timely vote (or cause to be voted) its Claims against any Alternative Restructuring;

(i) act in good faith with regard to the Restructuring consistent with this Agreement;

(j) to the extent any legal, regulatory, or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring, negotiate in good faith appropriate additional or alternative provisions to address any such impediment, which additional or alternative provisions shall be reasonably acceptable to the Requisite Consenting Creditors; *provided* that the recoveries and economic outcome for such Consenting Creditor and other material terms of this Agreement are preserved in any such provisions; and

(k) refrain from, directly or indirectly, taking any action that would be inconsistent with this Agreement or interfere with the Restructuring (including encouraging another person to undertake any action prohibited by this Agreement).

Section 4.02 Additional Provisions Regarding the Consenting Creditors Agreements.

(a) Nothing in this Agreement shall: (i) affect the ability of any Consenting Creditor to consult with any other Consenting Creditor, the Company Parties, or any other party in interest, subject to applicable confidentiality obligations; (ii) impair or waive the rights of any Consenting Creditor to assert or raise any objection not prohibited under this Agreement or any

Definitive Document in connection with the Restructuring Transactions; (iii) prevent any Consenting Creditor from (A) enforcing this Agreement or any Definitive Documents, (B) contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or any Definitive Documents, or (C) exercising any rights or remedies under this Agreement or any Definitive Documents, except as provided by Section 4.01 hereof; (iv) limit the rights of a Consenting Creditor under the Chapter 11 Cases (if any), including appearing as a party in interest in any matter to be adjudicated in order to be heard concerning any matter arising in the Chapter 11 Cases, in each case, so long as the exercise of any such right is not inconsistent with such Consenting Creditor's obligations hereunder or under applicable Law; (vi) constitute a waiver or amendment of any term or provision of the First Lien Credit Agreement, except as provided by this Agreement and the Definitive Documents; (vii) require any Consenting Creditor to incur, assume, or become liable for any financial or other liability or obligation other than as expressly described in this Agreement; (viii) prevent any Consenting Creditor from taking any customary perfection step or other action as is necessary to preserve or defend the validity, existence, and priority of its claims against or interests in the Company Party or any lien securing any such claims or interests (including the filing of proofs of claim); or (ix) affect any rights or obligations of the PTL Agent and the DIP Agent (as defined in the DIP Loan Documents), each in their capacities as such under the respective credit facility for which they are agent; or (x) require that any Consenting Creditor give any notice, order, instruction, or direction to any administrative agent or collateral agent (as applicable) or other such agent if the Consenting Creditors are required to incur any out-of-pocket costs or provide any additional indemnity in connection therewith. For the avoidance of doubt, if there if there is ambiguity between any First Day Orders and the consultation rights set out herein, this document shall control.

Section 4.03 Transfers. Each Consenting Creditor agrees that during the Support Period, it shall not sell, assign, transfer, or otherwise dispose of ("**Transfer**"), directly or indirectly, any Claims, option thereon, or right or interest therein or any other Claims against in the Company Parties (including by granting any proxies, depositing any Claims into a voting trust or entering into a voting agreement with respect to such Claims), and any purported Transfer shall be void and without effect unless the transferee thereof:

(a) is a Consenting Creditor;

(b) before such Transfer, agrees in writing for the benefit of the Parties to become, effective prior to or upon the consummation of such Transfer, a Consenting Creditor for all purposes hereunder and to be bound by all of the terms of this Agreement applicable to a Consenting Creditor (including with respect to any and all Claims it already may hold before such Transfer) by executing a joinder agreement in the form attached hereto as **Exhibit D** (a "**Joinder Agreement**") and delivering an executed copy of such Joinder Agreement to Weil and the PTL Group Counsel as promptly as practicable, but in no event later than three (3) Business Days following, consummation of such Transfer.

Each Consenting Creditor agrees that any Transfer of any Claim that does not comply with the terms and procedures set forth herein shall be deemed void *ab initio*, and each other Party shall have the right to enforce the voiding of such Transfer.

(c) Notwithstanding anything to the contrary in this Agreement, a Consenting Creditor may Transfer 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 an entity identified in Section 4.03(a) or (b) hereof (a "**Permitted Transferee**"); *provided* that (i) any such Qualified Marketmaker may only subsequently Transfer the right, title or interest to such Claims to a transferee that is or becomes a Permitted Transferee at the time of such Transfer, (ii) such transferor shall be solely responsible for the Qualified Marketmaker's failure to comply with the requirements of this Section 4.03, (iii) subject to 4.02(d), such Qualified Marketmaker must subsequently Transfer the right, title or interest to such Claims within five (5) Business Days of its acquisition to a transferee described in the foregoing clause (i) that is not an affiliate, affiliated fund, or affiliated entity with a common investment advisor of such Qualified Marketmaker or sign a Qualified Marketmaker Joinder (as defined below) on or before the Qualified Marketmaker Joinder Date (as defined below), and (iv) the Transfer documentation between such Consenting Creditor and such Qualified Marketmaker shall contain a covenant providing for the requirement in the preceding clause (i); *provided*, *further*, that if a Consenting Creditor is acting in its capacity as a Qualified Marketmaker, it may Transfer any Claims that it acquires that are not Consenting Claims (*i.e.*, received by such Qualified Marketmaker from a holder that is not a Consenting Creditor) without such Transfer being subject to this Section 4.03.

(d) If at the time of a proposed Transfer of any Claims to a Qualified Marketmaker, such Claims: (i) may be voted or consent solicited with respect to the Restructuring, then the proposed transferor must first vote or consent such Claims in accordance with Section 4.01, or (ii) have not yet been and may yet be voted or consent solicited with respect to the Plan and/or the Restructuring and such Qualified Marketmaker does not Transfer such Claims to a Permitted Transferee before the third Business Day before the expiration of an applicable voting or consent 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 it shall), on the first Business Day immediately after the Qualified Marketmaker Joinder Date, become a Consenting Creditor with respect to such Claims in accordance with the terms hereof (such signed Joinder, the "**Qualified Marketmaker Joinder**"); *provided*, *further*, that the Qualified Marketmaker shall automatically, and without further notice or action, no longer be a Consenting Creditor with respect to such Claim or Interest at such time as such Claim or Interest has been Transferred by such Qualified Marketmaker to a transferee that is a Permitted Transferee in accordance with this Agreement.

For these purposes, "**Qualified Marketmaker**" means an entity that (i) holds itself out to the market as standing ready in the ordinary course of business to purchase from and sell to customers Consenting Claims (including debt securities or other debt), or enter with customers into long and/or short positions in Consenting Claims (including debt securities or other debt), in its capacity as a dealer or market maker in such Consenting Claims (including debt securities or other debt) and (ii) is in fact regularly in the business of making a market in claims, interest, or securities of issuers or borrowers.

Section 4.04 Additional Claims. To the extent any Consenting Creditor (i) acquires additional Claims entitled to vote on the Plan or (ii) Transfers any Claims, then, in each case, each such Consenting Creditor shall promptly notify Weil and the PTL Group Counsel and each such Consenting Creditor hereby agrees that such additional Claims shall be subject to

this Agreement, and that, for the duration of the Support Period, it shall vote (or cause to be voted) any such additional Claims entitled to vote on the Plan (to the extent still held by it or on its behalf at the time of such vote), in a manner consistent with Section 4.01(a) hereof.

Section 4.05 Forbearance. The Consenting Creditors agree to forbear during the Support Period from the exercise of (and to direct any agent or trustee to forebear from the exercise of) any and all rights and remedies in contravention of this Agreement, including under the PTL Credit Agreement, any agreement contemplated thereby or executed in connection therewith, as applicable, and under applicable U.S. or foreign law or otherwise, in each case, with respect to any breaches, defaults, events of default or potential defaults by the Company or any other Loan Party (as defined in the PTL Credit Agreement), whether at law, in equity, by agreement or otherwise, which are or become available to them in respect of the PTL Obligations, or any other Claims. Additionally, during the Support Period, the Consenting Creditors agree not to support, join, or otherwise assist any person in litigation against the Company Parties in connection with the Chapter 11 Cases, Restructuring, the PTL Obligations, or any other Claims.

Section 4.06 Additional Disclosures. Upon written request (including by electronic mail) by the Company, Weil, each Party shall promptly identify, in writing, to the Company and Weil the nature and amount of the "disclosable economic interest" (as that term is defined by Rule 2019 of the Federal Rules of Bankruptcy Procedure) held in relation to the Company by all entities represented by the Consenting Creditor in connection with the Company as of the date of such request; *provided* that the Company and Weil agree to not make such written request more than two (2) times in any calendar month.

5. **Agreements of the Company Parties.**

The Company Parties agree during the Support Period to use commercially reasonable efforts to do all things in furtherance of the Restructuring, including:

(a) to (i) act in good faith and use commercially reasonable efforts to support and successfully complete solicitation of the Plan and the Restructuring Transactions, (ii) pursue any necessary federal, state, and local regulatory approvals to enable confirmation of the Plan, including, without limitation, approvals from any regulatory body whose approval or consent is determined by the Company Parties to be necessary to consummate the Restructuring Transactions, and (iii) do all things reasonably necessary and appropriate in furtherance of confirming the Plan and consummating the Restructuring in accordance with and within the time frames contemplated by this Agreement and the Plan;

(b) complete, enter into, and effectuate the agreed Definitive Documents (as applicable);

(c) provide draft copies of all material motions or applications, the Plan, the Disclosure Statement, any proposed amended version of the Plan or Disclosure Statement, all first day pleadings, and all other material pleadings that the Company Parties intend to file with the Bankruptcy Court to the PTL Group Counsel and counsel to the Consenting Equity Holders, if practicable, at least five (5) Business Days before the date of filing of any such pleading or other document (and, if not practicable, as soon as practicable before filing);

(d) except as otherwise expressly set forth in this Agreement, operate its businesses and operations in the ordinary course in a manner that is consistent with its past practices and this Agreement, use commercially reasonable efforts to preserve intact the Company Parties' business organization and relationships with third parties (including, without limitation, suppliers, distributors, customers, and governmental and regulatory authorities and employees) consistent with this Agreement and the Restructuring Transactions, and to the extent reasonably practicable, timely consult with and provide prior notice and updates to, the PTL Group Advisors with respect to any material development in connection with any Company Party, including, without limitation, businesses, operations (including, without limitation, material changes to the cash management system, employee benefit programs, and insurance programs), material expenditures (including, without limitation, any payments on account of pension withdrawal liabilities or increased funding obligations of non-Debtor affiliates to the extent not provided for in the Approved Budget (as defined in the DIP Orders)), and relationships with material third parties (including, without limitation, co-owners, vendors, and customers);

(e) promptly inform, subject to its confidentiality obligations or applicable law, the PTL Group Advisors in writing (email sent by Weil being sufficient) as soon as reasonably practicable after becoming aware (and in any event within three (3) Business Days after becoming so aware) of the threat or commencement of any material lawsuit, investigation, hearing or enforcement action from or by any person or entity in respect of any Company Party or any subsidiary or affiliate of a Company Party;

(f) from the Support Effective Date through and including the Plan Effective Date, promptly pay (but in any event, within five (5) Business Days) in full and in cash all Restructuring Fees and Expenses when properly incurred and invoiced in accordance with the relevant engagement letters, fee arrangements, and/or DIP Orders, and continue to pay such amounts as they come due, and otherwise in accordance with the applicable engagement letters, and/or fee arrangements of the PTL Group Advisors and/or the DIP Orders (and not terminate such engagement letters and/or fee arrangements or seek to reject them in the Chapter 11 Cases), and unless the Bankruptcy Court orders otherwise, without further order of, or application to, the Bankruptcy Court by such professional or advisor or the Company Parties; *provided* that (x) all accrued and unpaid Restructuring Fees and Expenses as of the Plan Effective Date including any reasonable estimate of such Restructuring Fees and Expenses, shall be paid by the Company on the Plan Effective Date; and (y) in the event a Termination Date (as defined herein) occurs with respect to the Company Parties, the Company Parties shall remain obligated to pay all Restructuring Fees and Expenses accrued and unpaid as of and up to such Termination Date; *provided*, *further*, that on or before the Petition Date, the Debtors shall pay to Ropes & Gray LLP, as counsel to certain of the Consenting Equity Holders, $200,000 to hold as a retainer against which all Consenting Equity Holder Fees and Expenses shall be applied (the "**Consenting Equity Holder Retainer**"); and

(g) not to directly or indirectly (i) take any action that would be inconsistent with this Agreement, the Plan, or interfere with the Restructuring (including encouraging another person to undertake any action prohibited by this Agreement), (ii) propose, solicit, file, support, seek, pursue, or vote for any Alternative Restructuring; *provided* that the foregoing does not affect the Company Parties' right to exercise the Fiduciary Out, or (iii) otherwise take any action that would interfere with, delay, or postpone the consummation of the Restructuring.

6. **Agreements of the Consenting Equity Holders**

Section 6.01 Support. Each Consenting Equity Holder covenants and agrees, severally and not jointly, during the Consenting Equity Holder Support Period, that it shall use commercially reasonable efforts to:

(a) (i) act in good faith and use commercially reasonable efforts to support and successfully complete solicitation of the Plan and the Restructuring Transactions, (ii) pursue any necessary federal, state, and local regulatory approvals to enable confirmation of the Plan, including, without limitation, approvals from any regulatory body whose approval or consent is determined by the Company Parties to be necessary to consummate the Restructuring Transactions, and (iii) do all things reasonably necessary and appropriate in furtherance of confirming the Plan and consummating the Restructuring in accordance with and within the time frames contemplated by this Agreement and the Plan;

(b) distribute the Cash payment described in Section 3.01(b) pursuant to the Restructuring Transactions Exhibit in a manner that effectuates the Redemption Transaction;

(c) complete, enter into, and effectuate the agreed Definitive Documents (as applicable) within the timeframes contemplated herein;

(d) grant and, if applicable, not opt-out of the release of third-party claims pursuant to the Plan and Confirmation Order;

(e) refrain from, directly or indirectly, taking any action that would be inconsistent with this Agreement or interfere with the Restructuring (including encouraging another person to undertake any action prohibited by this Agreement);

(f) promptly inform, subject to its confidentiality obligations or applicable law, the PTL Group Advisors in writing (email being sufficient) as soon as reasonably practicable after becoming aware (and in any event within three (3) Business Days after becoming so aware) of the threat or commencement of any material lawsuit, investigation, hearing or enforcement action from or by any person or entity in respect of any Company Party or any subsidiary or affiliate of a Company Party;

(g) not cause any Company Party, directly or indirectly, except as otherwise expressly set forth in this Agreement, to operate its businesses and operations in the ordinary course in a manner that is consistent with its past practices and this Agreement; or

(h) not directly or indirectly (i) object to, delay, impede, or take any other action to interfere with the Chapter 11 Cases, DIP Financing, or acceptance, confirmation, or implementation of the Plan or the Restructuring Transactions, (ii) propose, support, vote for, encourage, seek, solicit, pursue, initiate, assist, join in, participate in the formulation of or enter into negotiations or discussions with any entity regarding, any Alternative Restructuring, including, for the avoidance of doubt, making or supporting any filings with the Bankruptcy Court or any regulatory agency, or making or supporting any press release, press report or comparable public statement, or filing with respect to any Alternative Restructuring, or (iii) otherwise take any action that would interfere with, delay or postpone the consummation of the Restructuring.

7. **Termination of Agreement.**

Section 7.01 Generally. This Agreement will automatically terminate upon (i) the Plan Effective Date (as to all Parties) or (ii) three (3) Business Days following the receipt of written notice, delivered in accordance with Section 21 hereof, from (a) the Requisite Consenting Creditors (which for the avoidance of doubt, may be delivered by e-mail by PTL Group Counsel on behalf of any or all entities constituting the Consenting Creditors) to the other Parties at any time after the occurrence of any Consenting Creditor Termination Event (as defined below) or (b) the Company Parties (which for the avoidance of doubt, may be delivered by e-mail by Weil on behalf of any or all entities constituting the Company Parties) to the other Parties at any time after the occurrence of any Company Termination Event (as defined below). No Party may terminate this Agreement based on a Consenting Creditor Termination Event or Company Termination Event, as applicable, caused by such Party's failure to perform or comply in all material respects with the terms and conditions of this Agreement (unless such failure to perform or comply arises as a result of another Party's prior failure to perform or comply in all material respects with the terms and conditions of this Agreement).

Each of the dates and time periods in this Section 7 may be extended by mutual agreement (which may be evidenced by e-mail confirmation, including from respective counsel) among the Company Parties and the Requisite Consenting Creditors.

Section 7.02 A "**Consenting Creditor Termination Event**" will mean any of the following:

(a) failure to meet a Milestone;

(b) the Company withdraws or modifies the Plan or Disclosure Statement or files any motion or pleading with the Bankruptcy Court that is in any material respect inconsistent with this Agreement or the Plan and such withdrawal, modification, motion, or pleading has not been revoked before the earlier of (i) two (2) Business Days after the Company Parties receives written notice from the Requisite Consenting Creditors that such withdrawal, modification, motion, or pleading is materially inconsistent with this Agreement or the Plan and (ii) entry of an order of the Bankruptcy Court approving such withdrawal, modification, motion, or pleading;

(c) the material breach by the Company of any of the representations, warranties, covenants, or other obligations of the Company set forth in this Agreement, which breach has not been cured (if curable) within three (3) Business Days of written notice from the Requisite Consenting Creditors;

(d) (i) entry of a DIP Order that is not reasonably acceptable to the Requisite Consenting Creditors (except as a result of any terms or conditions imposed by the Bankruptcy Court), (ii) the filing of a motion or application by any Company Party seeking an order (without the prior written consent of the Requisite Consenting Creditors), vacating or modifying the DIP Orders, or (iii) the termination of the DIP Credit Agreement and/or the DIP Financing;

(e) a Company Party files or directly or indirectly supports another party in filing any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any Consenting Claims, the

PTL Credit Agreement or any of the PTL Loan Documents, or the prepetition liens securing the Consenting Claims;

(f) any Company Party loses the exclusive right to file a chapter 11 plan or to solicit acceptances thereof pursuant to section 1121 of the Bankruptcy Code;

(g) a Company Party fails to maintain their good standing under the laws of the state or other jurisdiction in which they are incorporated or organized, except to the extent that any failure to maintain such Company Party's good standing arises solely from the filing of the Chapter 11 Cases;

(h) the Company enters into any settlement in connection with or related to the Adversary Proceeding, the Apollo Action, or the LCM Action without the consent of the Requisite Consenting Creditors;

(i) the Bankruptcy Court enters an order denying confirmation of the Plan or disallowing any material provision thereof (without the consent of the Requisite Consenting Creditors) and such order remains in effect for seven (7) calendar days after entry of such order

(j) the Company proposes or supports an Alternative Restructuring pursuant to a pleading filed in the Bankruptcy Court or publicly announces its intention to pursue an Alternative Restructuring, which proposal, support, or announcement has not been withdrawn after three (3) Business Days' written notice from the Requisite Consenting Creditors;

(k) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any final ruling, judgment or non-appealable order enjoining the consummation of or rendering illegal the Restructuring, and such ruling, judgment or order has not been reversed or vacated by the later of (i) the Confirmation Date and (ii) fifteen (15) Business Days after such issuance the Company Parties provides written notice to the other Parties that such final ruling, judgment, or non-appealable order is materially inconsistent with this Agreement;

(l) the Bankruptcy Court or a court of competent jurisdiction enters an order (i) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code, (ii) dismissing one or more of the Chapter 11 Cases, (iii) rejecting this Agreement, or (iv) appointing a trustee for the Chapter 11 Cases, which order in each case has not been reversed, stayed, or vacated by the later of (a) the Confirmation Date and (b) three (3) Business Days after the Requisite Consenting Creditors provide written notice to the other Parties that such order is materially inconsistent with this Agreement; *provided* that the foregoing does not affect the Company Parties' right to exercise the Fiduciary Out;

(m) the Bankruptcy Court or a court of competent jurisdiction enters an order, judgment, ruling, finding or other determination denying, dismissing, or otherwise adverse to the relief sought in the Adversary Proceeding or adverse to the defendants in the Apollo Action or the LCM Action;

(n) the Exit ABL Commitment Letter terminates, expires, or is no longer in full force and effect for any reason, in each case, absent the consent or waiver of the Requisite Consenting Creditors; or

(o) failure of the Company Parties to pay the Restructuring Fees and Expenses, as and when required.

Section 7.03 A "**Company Termination Event**" will mean any of the following:

(a) the Consenting Creditors entitled to vote on the Plan will have failed to timely vote their Claims in favor of the Plan or at any time change their votes to constitute rejections to the Plan, in either case in a manner inconsistent with this Agreement; *provided* that this termination event will not apply if sufficient Consenting Creditors have timely voted (and not withdrawn) their Claims to accept the Plan in amounts necessary for each applicable impaired class under the Plan to "accept" the Plan consistent with section 1126 of the Bankruptcy Code;

(b) if, as of the time of entry of the Interim DIP Order, the Support Effective Date has not occurred;

(c) if the Requisite Consenting Creditors give notice of termination of this Agreement pursuant to this Section 7;

(d) one or more of the Consenting Creditors file or support any Alternative Restructuring, modification, motion, or pleading with the Bankruptcy Court that is materially inconsistent with this Agreement or the Plan and such Alternative Restructuring, modification, motion, or pleading has not been revoked before the earlier of (i) three (3) Business Days after the filing or supporting party receives written notice from the Company or Weil that such Alternative Restructuring, modification, motion, or pleading is inconsistent with this Agreement or the Plan, and (ii) entry of an order of the Bankruptcy Court approving such Alternative Restructuring, modification, motion, or pleading;

(e) the material breach by one or more of the Consenting Creditors of any of the representations, warranties, covenants, or other obligations of the Company set forth in this Agreement, which breach would result in non-breaching Consenting Creditors holding less than (x) 66.67% of the aggregate outstanding principal amount, or (y) 50% of holders, of PTL Obligations and has not been cured (if curable) within three (3) Business Days of written notice from the Company Parties;

(f) the board of directors, board of managers, or such similar governing body of any Company Party determines in good faith after consultation with outside counsel that continued performance under this Agreement would be inconsistent with the exercise of its fiduciary duties under any applicable law (the "**Fiduciary Out**"); or

(g) the issuance by any governmental authority, including any regulatory authority or court of competent jurisdiction, of any ruling, judgment or order enjoining the consummation of or rendering illegal the Restructuring, and such ruling, judgment or order has not been reversed or vacated by the later of (i) the Confirmation Date and (ii) fifteen (15) Business

Days after the Company provides written notice to the other Parties that such ruling, judgment, or order is materially inconsistent with this Agreement.

Section 7.04 Mutual Termination. This Agreement may be terminated by mutual written agreement of the Company and the Requisite Consenting Creditors. The Company will deliver written notice of any such termination to all Parties in accordance with Section 21 hereof.

Section 7.05 Effect of Termination. Upon the termination of this Agreement in accordance this Section 7, this Agreement will be void and of no further force or effect and each Party will, except as provided in this Section 7.05 and in Section 15, be immediately released from its liabilities, obligations, commitments, undertakings and agreements under or related to this Agreement and will have all the rights and remedies that it would have had and will be entitled to take all actions, whether with respect to the Restructuring or otherwise, that it would have been entitled to take had it not entered into this Agreement, including all rights and remedies available to it under applicable law, the PTL Obligations, and any ancillary documents or agreements thereto; *provided* that in no event will any such termination relieve a Party from liability for its breach or non-performance of its obligations hereunder before the date of such termination.

Section 7.06 No Waiver. If the Restructuring is not consummated, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, and the Parties expressly reserve any and all of their respective rights as if the Parties had not entered this Agreement. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce the Agreement's terms.

8. Additional Documents.

Each Party hereby covenants and agrees to cooperate with each other in good faith in connection with, and will exercise commercially reasonable efforts with respect to, the negotiation, drafting and execution and delivery of the Definitive Documents. In the case of any conflict or inconsistency between the Plan and any form of or term sheet for a Definitive Document attached as an exhibit hereto, the terms of the Plan shall control.

9. Representations and Warranties.

Section 9.01 Each Party, severally (and not jointly), represents and warrants to the other Parties that the following statements are true, correct and complete as of the date hereof (or such later date that such Party first becomes bound by this Agreement) and solely with respect to the Company, subject to any limitations or approvals arising from or required by the commencement of the Chapter 11 Cases:

(a) such Party is validly existing and in good standing under the laws of its jurisdiction of incorporation or organization, and has all requisite corporate, partnership, limited liability company or similar authority to enter into 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, limited liability company, partnership or other similar action on its part;

(b) the execution, delivery and performance by such Party of this Agreement does not and will not (i) violate any provision of law, rule or regulation applicable to it or its charter or bylaws (or other similar governing documents) or (ii) in the case of the Consenting Creditors, conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligation to which it is a party;

(c) the execution, delivery and performance by such Party of this Agreement does not and will not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or governmental authority or regulatory body, except such filings that may be necessary in connection with the Chapter 11 Cases and such filings as may be necessary or required for disclosure any applicable regulatory body whose approval or consent is determined by the Company Parties to be necessary to consummate the Restructuring Transactions; and

(d) this Agreement is the legally valid and binding obligation of such Party, enforceable 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 or a ruling of a court.

Section 9.02 Each Consenting Creditor severally (and not jointly), represents and warrants to the other Parties that as of the date hereof (or such later date that such Party first becomes bound by this Agreement), such Consenting Creditor:

(a) is not a Qualified Marketmaker with respect to the PTL Obligations set forth below its name on the signature page to this Agreement;

(b) does not own or control any other "claims", "equity security" or "security" in respect of the Company Parties (including as such terms are defined in section 101 of the Bankruptcy Code) other than as set forth below its name on the signature page to this Agreement;

(c) is not a party to any other agreement, arrangement, or understanding with respect to the subject matter hereof with another Consenting Creditor; and

(d) (i) is the beneficial owner (including with respect to any PTL Obligations subject to an agreed assignment where such assignment is not reflected in the Register (as defined in the PTL Credit Agreement)) of the PTL Obligations set forth below its name on the applicable signature page of this Agreement or (ii) has, with respect to such beneficial ownership of such PTL Obligations, (A) sole investment or voting discretion with respect to such PTL Obligations, (B) full power and authority to vote on and consent to matters concerning such PTL Obligations, and (C) full power and authority to bind or act on the behalf of, such beneficial owners.

10. **Disclosure; Publicity.**

Section 10.01 The Company shall deliver drafts to the PTL Group Counsel of any press releases that constitute disclosure of the existence of the existence or terms of this Agreement or any amendment to the terms of this Agreement to the general public (each, a "**Public Disclosure**") at least two (2) Business Days before making any such disclosure (if practicable, and if two (2) Business Days before is not practicable, then as soon as practicable), and PTL Group

Counsel shall be authorized to share such Public Disclosure with its clients. Any such disclosure shall be reasonably acceptable to the Requisite Consenting Creditors. Except as required by law or otherwise permitted under the terms of any other agreement between the Company and any Consenting Creditor, no Party or its advisors will disclose to any person (including, for the avoidance of doubt, any other Consenting Creditor), other than to Weil and Evercore, the principal amount or percentage of any PTL Obligations, or any other securities of the Company Parties held by any Consenting Creditor without such Consenting Creditor's prior written consent; *provided* that (i) if such disclosure is required by law, subpoena, or other legal process or regulation, to the extent permitted by applicable law, the disclosing Party will afford the relevant Consenting Creditor a reasonable opportunity to review and comment in advance of such disclosure and will take all reasonable measures to limit such disclosure and (ii) the foregoing will not prohibit the disclosure of the aggregate percentage or aggregate principal amount of PTL Obligations held by all the Consenting Creditors collectively. Notwithstanding the provisions in this Section 10, if consented to in writing by a Consenting Creditor, any Party hereto may disclose such Consenting Creditor's individual holdings.

11. **Amendments and Waivers.**

Except as otherwise expressly set forth herein, the provisions of this Agreement, including the exhibits hereto, may not be waived, modified, amended or supplemented except in a writing signed by (a) the Company Parties, (b) the Requisite Consenting Creditors, (c) any individual Consenting Creditor disproportionally and adversely affected by such waiver, modification, amendment, or supplement, and (d) to the extent any such waiver, modification, amendment, or supplement, including to any exhibit hereto, would materially and adversely affect any Consenting Equity Holder, each such Consenting Equity Holder (it being understood that any modification or amendment to (i) the treatment of any such Consenting Equity Holder or (ii) the release in favor of any such Consenting Equity Holder, in each case, under the Plan shall be deemed to materially and adversely affect such Consenting Equity Holder).

The definition of Requisite Consenting Creditors in this Agreement shall not be waived, modified, amended, or supplemented, except in a writing signed by the Company Parties and all non-defaulting Consenting Creditors.

12. **Effectiveness.**

This Agreement will become effective and binding (i) as to the Company and Initial Consenting PTL Lenders, on the Support Effective Date and after all outstanding Restructuring Fees and Expenses properly incurred and invoiced in accordance with the relevant engagement letters and fee arrangements shall be paid in full and in cash by the Company; (ii) as to any Consenting Creditor that enters into a Joinder Agreement on or following the Support Effective Date, upon delivery to the Company of such validly completed Joinder Agreement; and (iii) as to any Permitted Transferee, upon delivery of a validly completed Joinder Agreement; *provided* that signature pages executed by Consenting Creditors will be delivered to (a) the Company, other Consenting Creditors, and the PTL Group Counsel in a redacted form that removes such Consenting Creditor's holdings of the PTL Obligations and (b) Weil and Evercore in an unredacted form (to be held by Weil and Evercore on a professionals' eyes only basis).

13. **GOVERNING LAW; JURISDICTION; WAIVER OF JURY TRIAL.**

THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY CONFLICTS OF LAW PROVISIONS WHICH 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 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 ANY FEDERAL OR STATE COURT IN DELAWARE, AND 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. EACH PARTY HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RESTRUCTURING CONTEMPLATED HEREBY. NOTWITHSTANDING THE FOREGOING, DURING THE PENDENCY OF THE CHAPTER 11 CASES, ALL PROCEEDINGS CONTEMPLATED BY THIS SECTION 13 SHALL BE BROUGHT IN THE BANKRUPTCY COURT.

14. **Remedies/Specific Performance.**

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 for the avoidance of doubt, it is agreed by the other Parties that money damages would not be a sufficient remedy for any breach of this Agreement by any Party and each non-breaching Party will be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach); *provided* that in connection with any remedy for specific performance, injunctive or other equitable relief asserted in connection with this Agreement, each Party agrees to waive the requirement for the securing or posting of a bond in connection with any remedy and to waive the necessity of proving the inadequacy of money damages. All rights, powers, and remedies provided under this Agreement or otherwise available at law or in equity will be cumulative and not alternative, and the exercise of any remedy, power, or remedy by any Party will not preclude the simultaneous or later exercise of any other such right, power, or remedy by such Party or any other Person.

15. **Survival.**

Notwithstanding the termination of this Agreement pursuant to Section 7 hereof, Section 7.06, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 (and, to the extent applicable to the interpretation of such surviving sections, Section 1) will survive such termination and will continue in full force and effect for the benefit of the Parties in accordance with the terms hereof.

16. **Headings.**

The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience only and will not affect the interpretation hereof or, for any purpose, be deemed a part of this Agreement.

17. **Successors and Assigns; Severability; Several Obligations.**

This Agreement is intended to bind and inure to the benefit of the Parties and their respective successors and permitted assigns. The rights or obligations of any Party under this Agreement may not be assigned, delegated, or transferred to any other Person except as expressly permitted herein. If any provision of this Agreement, or the application of any such provision to any person or circumstance, will be held invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision hereof and this Agreement will continue in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon any such determination of invalidity, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby are consummated as originally contemplated to the greatest extent possible. The agreements, representations and obligations of the Parties are, in all respects, ratable and several and neither joint nor joint and several.

18. **No Third-Party Beneficiaries.**

Unless expressly stated herein, this Agreement will be solely for the benefit of the Parties and no other person or entity will be a third-party beneficiary hereof.

19. **Prior Negotiations; Entire Agreement.**

This Agreement, including the exhibits and schedules hereto, constitutes the entire agreement of the Parties, and supersedes all other prior negotiations, with respect to the subject matter hereof, except that the Parties acknowledge that any confidentiality agreements or agreements with respect to shared or common interest heretofore executed between the Company and any Consenting Creditor (or the PTL Group Advisors) will continue in full force and effect in accordance with the terms thereof.

20. **Counterparts.**

This Agreement may be executed in several counterparts, each of which will be deemed to be an original, and all of which together will be deemed to be one and the same agreement. Execution copies of this Agreement may be delivered by electronic mail, which will be deemed to be an original for the purposes of this Section 20.

21. **Notices.**

All notices hereunder will be deemed given if in writing and delivered, if contemporaneously sent by electronic mail, courier or by registered or certified mail (return receipt requested) to the following addresses and electronic mail addresses:

(1) If to the Company Parties, to:

Dawn Intermediate, LLC
2451 Industry Avenue
Doraville, GA 30360
Attention: Kristen McGuffey, Chief Legal Officer and Secretary
(SSBLegalDept@sertasimmons.com)

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

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: Ray C. Schrock, P.C. (Ray.Schrock@weil.com)
Alexander Welch, Esq. (Alexander.Welch@weil.com)

and

700 Louisiana Street, Suite 1700
Houston, Texas 77002
Attention: Gabriel A. Morgan, Esq. (Gabriel.Morgan@weil.com)
Stephanie N. Morrison, Esq. (Stephanie.Morrison@weil.com)

(2) If to the Consenting Creditors, to the addresses or electronic mail addresses set forth below the Consenting Creditor's signature, with a copy (which will not constitute notice) to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166
Attention: Scott J. Greenberg, Esq. (sgreenberg@gibsondunn.com)
Michael J. Cohen, Esq. (mcohen@gibsondunn.com)
Jason Zachary Goldstein, Esq. (jgoldstein@gibsondunn.com)

(3) If to the Consenting Equity Holders, to:

Advent International Corporation
Prudential Tower
800 Boylston Street, Suite 3300
Boston, MA 02199
Attention: Jefferson Case and Amanda McGrady Morrison

Facsimile: (617) 951-0566]

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

Ropes & Gray LLP
1211 Avenue of the Americas
New York, NY 10036
Attention: Gregg M. Galardi (Gregg.Galardi@ropesgray.com)
Jeramy D. Webb (Jeramy.Webb@ropesgray.com)
Amanda C. Glaubach (Amanda.Glaubach@ropesgray.com)

Any notice given by delivery, mail, or courier will be effective when received. Any notice given by electronic mail will be effective upon confirmation of transmission.

22. **Reservation of Rights; No Admission.**

Except as expressly provided in this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of each of the Parties (i) to protect and preserve its rights, remedies and interests, including its claims against any of the other Parties (or their respective affiliates or subsidiaries), (ii) purchase, sell, or enter into any transactions in connection with the PTL Obligations, (iii) enforce any right under the PTL Obligations, subject to the terms hereof, (iv) consult with other Consenting Creditors, other holders of PTL Obligations, or any other Party regarding the Restructuring (and not any other Alternative Restructuring), or (v) enforce any right, remedy, condition, consent or approval requirement under this Agreement or in any of the Definitive Documents. Without limiting the foregoing, if this Agreement is terminated in accordance with its terms for any reason (other than consummation of the Restructuring), the Parties each fully and expressly reserve any and all of their respective rights, remedies, claims, defenses and interests, subject to Sections 7, 13, and 14 in the case of any claim for breach of this Agreement arising before termination. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert.

23. **Relationship Among Parties.**

It is understood and agreed that no Consenting Creditor has any duty of trust or confidence in any kind or form with any other Consenting Creditor, and, except as expressly provided in this Agreement, there are no commitments between them as a result of this Agreement. In this regard, it is understood and agreed that any Consenting Creditor may acquire PTL Obligations, or other debt or equity securities of the Company Parties without the consent of the Company Parties or any other Consenting Creditor, subject to applicable securities laws and the terms of this Agreement; *provided* that no Consenting Creditor will have any responsibility for any such acquisition to any other entity by virtue of this Agreement.

24. **No Solicitation; Representation by Counsel; Adequate Information.**

(a) This Agreement is not and shall not be deemed to be an offer with respect to any securities or solicitation of votes for the acceptance of a plan of reorganization for purposes of sections 1125 and 1126 of the Bankruptcy Code or otherwise.

(b) Each Party acknowledges that it has had an opportunity to receive information from the Company and that it has been represented by counsel in connection with this Agreement and the transactions contemplated hereby. 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 will have no application and is expressly waived.

(c) Each Consenting Creditor acknowledges, agrees, and represents to the other Parties that it (i) is an "accredited investor" as such term is defined in Rule 501(a) of the Securities Act, (ii) is a "qualified institutional buyer" as such term is defined in Rule 144A of the Securities Act, (iii) understands that (a) any securities to be acquired by it pursuant to the Restructuring have not been registered under the Securities Act and (b) that such securities are being offered and sold pursuant to an exemption from registration contained in the Securities Act, based in part upon such Consenting Creditor's representations contained in this Agreement and cannot be sold unless subsequently registered under the Securities Act or an exemption from registration is available, and (iv) has such knowledge and experience in financial and business matters that such Consenting Creditor is capable of evaluating the merits and risks of the securities to be acquired by it pursuant to the Restructuring and understands and is able to bear any economic risks with such investment.

25. **Fiduciary Duties.**

Nothing in this Agreement will require the Company Parties or any directors, officers, managers, or members of the Company Parties, each in its capacity as a director, officer, manager, or member of the Company Parties, to take any action, including the Fiduciary Out, or to refrain from taking any action, to the extent inconsistent with its or their fiduciary duties under applicable law (as determined by them in good faith after consultation with outside legal counsel).

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.

[SIGNATURE PAGES OMITTED]

Exhibit A

Company Parties

1. Dawn Intermediate, LLC
2. Serta Simmons Bedding, LLC
3. Serta International Holdco, LLC
4. National Bedding Company L.L.C.
5. SSB Manufacturing Company
6. The Simmons Manufacturing Co., LLC
7. Dreamwell, Ltd.
8. SSB Hospitality, LLC
9. SSB Logistics, LLC
10. Simmons Bedding Company, LLC
11. Tuft & Needle, LLC
12. Tomorrow Sleep LLC
13. SSB Retail, LLC
14. World of Sleep Outlets, LLC

Exhibit B

Plan

[OMITTED]

Exhibit C

Disclosure Statement

[OMITTED]

Exhibit D

Joinder

FORM OF JOINDER AGREEMENT FOR CONSENTING CREDITORS

This joinder agreement to the *Restructuring Support Agreement*, dated as of January 23, 2023 (as may be amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "**Agreement**"), between the Company Parties and the Consenting Creditors, each as defined in the Agreement, is executed and delivered by _____ (the "**Joining Party**") as of _____, 2023. Each capitalized term used herein but not otherwise defined shall have the meaning set forth in the Agreement.

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder Agreement as **Annex I** (as the same has been or may be hereafter amended, restated or otherwise modified from time to time in accordance with the provisions thereof).

2. Effectiveness. Upon (i) delivery of a signature page for this joinder and (ii) written acknowledgement by the Company Parties, the Joining Party shall hereafter be deemed to be a "Subsequent Consenting Creditor" and a "Party" for all purposes under the Agreement and with respect to any and all Claims held by such Joining Party.

3. Representations and Warranties. With respect to the aggregate principal amount of Claims set forth below its name on the signature page hereto, the Joining Party hereby makes the representations and warranties of the Consenting Creditors, as set forth in Sections 9 and 23 of the Agreement to each other Party to the Agreement.

4. Governing Law. This joinder agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to any conflict of laws provisions which would require the application of the law of any other jurisdiction.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the Joining Party has caused this joinder to be executed as of the date first written above.

[JOINING PARTY]

By:_____
Name:
Title:

Claims (principal amount)	
- PTL Obligations	FLFO: US$
	FLSO: US$
- Non-PTL Loan Obligations	US$
- ABL Obligations	US$
- Existing Equity Interests	
- Other (please describe)	

Notice Address:

_____
_____
_____
Fax: _____
Attention: _____
Email: _____

Acknowledged:

DAWN INTERMEDIATE, LLC
(on behalf of the Company Parties)

By:_____
Name:
Title:

_____

Exhibit E

Milestones

Exhibit E

Milestones

The Consenting Creditors' support for the Transaction shall be subject to the timely satisfaction of the following milestones (the "**Milestones**"), which may be extended with the prior written consent (email shall suffice, including from respective counsel) of the Company and the Requisite Consenting Creditors:

1. Commencement of the Chapter 11 Cases. The Company hereby agrees that, as soon as reasonably practicable, but in no event later than 11:59 p.m. prevailing Central Time on January 24, 2023 (the "**Outside Petition Date**", and the date on which such filing actually occurs, the "**Petition Date**"), shall commence the Chapter 11 Cases.

2. Filing of the Plan and Disclosure Statement. The Company shall file the Plan, Disclosure Statement, and the motion for approval of the Disclosure Statement and Solicitation Materials on or contemporaneously with the Petition Date.

3. Filing of the Adversary Complaint and Scheduling Motion. The Company shall file the Adversary Complaint and Scheduling Motion on or contemporaneously with the Petition Date.

4. Disclosure Statement Approval Order At or prior to 11:59 p.m. prevailing Central Time on April 6, 2023, the Bankruptcy Court shall have entered the Disclosure Statement Approval Order.

5. Confirmation Hearing and Adversary Proceeding. At or prior to 11:59 p.m. prevailing Central Time on May 22, 2023, the hearing to approve the Plan and to consider the relief sought in the Adversary Proceeding shall have commenced.

6. Confirmation Order and Adversary Proceeding. At or prior to 11:59 p.m. prevailing Central Time on June 5, 2023, the Confirmation Order shall have been entered and the Bankruptcy Court shall have entered an order granting the relief sought in the Adversary Proceeding.

7. Occurrence of Plan Effective Date. At or prior to 11:59 p.m. prevailing Central Time on June 6, 2023 (the "**Outside Date**"), the Plan Effective Date shall have occurred.

Exhibit F

DIP Credit Agreement

[OMITTED]

Exhibit G

Exit ABL Facility Commitment Letter

Execution Version

ECLIPSE BUSINESS CAPITAL LLC

CONFIDENTIAL

January 23, 2023

Serta Simmons Bedding, LLC
One Concourse Parkway
Atlanta, Georgia 30328
Attention: Lisa Wyn

$125 Million Senior Secured Revolving Exit Facility
Commitment Letter

Ladies and Gentlemen:

Eclipse Business Capital LLC ("***Eclipse***" or the "***Commitment Party***", "***we***" or "***us***") understands that Dawn Intermediate, LLC, a Delaware limited liability company ("***Holdings***") and certain of its subsidiaries, including Serta Simmons Bedding, LLC, a Delaware limited liability company (the "***Top Borrower***" and together with Holdings, "***you***"; and together with Holdings and such subsidiaries, the "***Debtors***") anticipate filing voluntary petitions to commence cases (the "***Chapter 11 Cases***") under Title 11 of the United States Code (the "***Bankruptcy Code***") in the United States Bankruptcy Court for the Southern District of Texas (the "***Bankruptcy Court***") in order to implement a restructuring of the Debtors (collectively, the "***Transactions***").

In connection therewith, you have requested that we commit to provide a senior secured, asset-based revolving credit exit facility (the "***Exit Facility***") on substantially the terms described in, and subject to the conditions precedent set forth in, the Exit Facility Term Sheet attached hereto as Exhibit A (the "***Exit Facility Term Sheet***"; and the credit agreement evidencing the Exit Facility, the "***Exit Facility Credit Agreement***") in an aggregate principal amount of $125 million.

Capitalized terms used but not defined herein are used with the meanings assigned to them in the Exit Facility Term Sheet.

1. Commitments and Undertakings

In connection with the Transactions, subject to the terms and conditions set forth in this Commitment Letter (this "***Commitment Letter***"), the Commitment Party is pleased to advise you of its commitment to provide the entire principal amount of the Exit Facility.

2. Titles and Roles

It is agreed that Eclipse will act as lead arranger and bookrunner for the Exit Facility (acting in such capacities, the "***Lead Arranger***") and as administrative agent and collateral agent for the Exit Facility. You further agree that the Lead Arranger shall not have any other responsibilities except as otherwise mutually agreed. You agree that no other agents, co-agents, arrangers, co-arrangers, bookrunners, co-bookrunners, managers or co-managers will be appointed, no other titles will be awarded and no compensation (other than that expressly contemplated by the Exit Facility Credit Agreement) will be paid in connection with the Exit Facility unless you and we shall so reasonably agree.

3. Information

You hereby represent that (a) all written information concerning the Top Borrower and its subsidiaries (other than (i) financial projections, financial estimates, other forward-looking and/or projected information (the

"***Projections***"), (ii) information of a general economic or industry-specific nature ("***Economic and Industry Information***") and/or (iii) third party reports and/or memoranda ("***Third Party Materials***"; it being understood that Third Party Materials shall not be deemed to include written information (other than Projections and Economic and Industry Information) on which such Third Party Materials are based) that has been or will be made available to us by the Top Borrower or any of their representatives on your behalf in connection with the Transactions contemplated hereby (collectively, and excluding, for the avoidance of doubt, the Projections, Economic and Industry Information and the Third Party Materials, the "***Information***"), when 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 from time to time) and (b) the Projections have been or will be prepared in good faith based upon assumptions believed by you to be reasonable at the time furnished (it being recognized by Eclipse that such Projections are not to be viewed as facts and are subject to significant uncertainties and contingencies many of which are beyond your control, that no assurance can be given that any particular financial projections will be realized, that actual results may differ from projected results and that such differences may be material). You agree that if, at any time during the term of this letter, you become aware that any of the representations in the preceding sentence would be incorrect in any material respect if the Information or the Projections were being furnished and such representations were being made at such time, you will promptly supplement the Information and the Projections so that the representations in the preceding sentence remain true in all material respects; provided, that any such supplementation shall cure any breach of such representations. You understand that in arranging the Exit Facility, we may use and rely on the Information and Projections without independent verification thereof and we do not assume responsibility for the accuracy and completeness of the Information or the Projections.

4. Conditions

The Commitment Party's commitment and agreements hereunder are subject to the conditions set forth in the Exit Facility Term Sheet under the heading "Conditions to Exit ABL Facility Closing Date", it being understood and agreed that there are no conditions (implied or otherwise) to the commitments hereunder, including compliance with the terms of this Commitment Letter, other than those expressly stated in this Section 4.

5. Indemnification and Expenses

You agree (a) to indemnify and hold harmless the Commitment Party, the Lead Arranger and any other arrangers or agents in respect of the Exit Facility appointed pursuant to this Commitment Letter, their affiliates and their respective directors, officers, employees, advisors, agents and other representatives (each, an "***indemnified person***") from and against any and all losses, claims, damages and liabilities to which any such indemnified person may become subject arising out of or in connection with this Commitment Letter, the Exit Facility, the use of the proceeds thereof, the use of the proceeds thereof, or the Transactions or any claim, litigation, investigation or proceeding relating to any of the foregoing (including in relation to enforcing the terms of this paragraph) (each, a "***Proceeding***"), regardless of whether any indemnified person is a party thereto, whether or not such Proceedings are brought by you, your equity holders, affiliates, creditors or any other person, and to reimburse each indemnified person upon written demand for any reasonable and documented out-of-pocket legal or other documented out-of-pocket expenses incurred in connection with investigating or defending any of the foregoing (limited, in the case of counsel, to the reasonable and documented out-of-pocket fees, disbursements and other charges of a single firm of outside counsel to the indemnified persons and, if necessary, one local counsel in each relevant jurisdiction and solely in the event of a conflict of interest, one additional counsel (and if necessary, one local counsel in each relevant jurisdiction) to each group of similarly situated affected indemnified persons), provided that the foregoing indemnity will not, as to any indemnified person, apply (i) to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, nonappealable judgment of a court of competent jurisdiction to arise or result from the willful misconduct, bad faith or gross negligence of such indemnified person or its controlled affiliates, directors, officers or employees, advisors or agents (collectively, the "***Related Parties***"), (ii) to losses, claims, damages, liabilities or related

expenses to the extent they are found by a final, nonappealable judgment of a court of competent jurisdiction to arise or result from a material breach of the obligations of such indemnified person or control affiliate of such indemnified person under this Commitment Letter or (iii) to the extent arising from any dispute solely among indemnified persons (other than a Proceeding against any indemnified person in its capacity or in fulfilling its role as the Lead Arranger, administrative agent, collateral agent, bookrunner, lender, letter of credit issuer or any other similar role in connection with this Commitment Letter, the Exit Facility, or the use of the proceeds thereof) not arising out of any act or omission on the part of you or your affiliates; and (b) regardless of whether the Exit ABL Facility Closing Date occurs, to reimburse the Commitment Party and its affiliates for all reasonable and documented out-of-pocket expenses (including, without limitation, due diligence expenses, syndication expenses, financial advisor's fees, consultant's fees, travel expenses, and the fees, charges and disbursements of counsel) incurred in connection with the Exit Facility and any related documentation (including this Commitment Letter, and the definitive financing documentation in connection with the Exit Facility) or the administration, amendment, modification or waiver thereof (limited, in the case of counsel, to the reasonable and documented out-of-pocket fees, disbursements and other charges of a single firm of outside counsel to the indemnified persons and, if necessary, one local counsel in each relevant jurisdiction and solely in the event of a conflict of interest, one additional counsel (and if necessary, one local counsel in each relevant jurisdiction) to each group of similarly situated affected indemnified persons). No indemnified person 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, including an Electronic Platform or otherwise via the internet, or for any special, indirect, consequential or punitive damages in connection with the Exit Facility or in connection with its activities related to the Exit Facility and you agree, to the extent permitted by applicable law, not to assert any claims against any indemnified person with respect to the foregoing. None of the indemnified persons or you or any of your or their respective Related Parties of the foregoing shall be liable for any indirect, special, punitive or consequential damages in connection with this Commitment Letter, the Exit Facility, or the transactions contemplated hereby, *provided* that nothing contained in this sentence shall limit your indemnity obligations to the extent set forth in this Section 5.

You shall not, without the prior written consent of an indemnified person (which consent shall not be unreasonably withheld, conditioned or delayed), effect any settlement of any pending or threatened Proceedings in respect of which indemnity could have been sought hereunder by such indemnified person unless (a) such settlement includes an unconditional release of such indemnified person in form and substance reasonably satisfactory to such indemnified person from all liability on claims that are the subject matter of such Proceedings and (b) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any indemnified person or any injunctive relief or other non-monetary remedy. You acknowledge that any failure to comply with your obligations under the preceding sentence may cause irreparable harm to Eclipse and the other indemnified persons.

6. Sharing of Information, Affiliate Activities, Absence of Fiduciary Relationship.

You acknowledge that the Commitment Party and its affiliates may be providing debt financing, equity capital or other services to other companies with which you may have conflicting interests. You acknowledge that the Commitment Party and its affiliates have no obligation to use in connection with the transactions contemplated hereby, or to furnish to you, confidential information obtained from other companies or other persons. The Commitment Party may have economic interests that conflict with your economic interests. You acknowledge and agree that (a)(i) the arrangement and other services described herein regarding the Transactions are arm's-length commercial transactions between you and your affiliates, on the one hand, and the Commitment Party, on the other hand, that do not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on the part of the Commitment Party, (ii) the Commitment Party has not provided any legal, accounting, regulatory or tax advice to you with respect to any of the Transactions and you are not relying on the Commitment Party for such advice, (iii) you have consulted your own legal, accounting, regulatory and tax advisors to the extent you have deemed appropriate and you are not relying on the Commitment Party for such advice and (iv) you are capable of evaluating, and understand and accept, the terms, risks and conditions of the transactions contemplated hereby; and (b) in connection with the transactions contemplated hereby, (i) the 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 or any of your affiliates and (ii) the Commitment Party has no obligation to you or your affiliates, except those obligations expressly set forth in this Commitment Letter and any other agreement with you or any of your affiliates.

7. Confidentiality

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter nor any of its terms or substance shall be disclosed by you, directly or indirectly, to any other person, except (a) to you and your subsidiaries and your officers, directors, employees, affiliates, members, partners, stockholders, attorneys, accountants, agents and advisors, in each case on a confidential and need-to-know basis, (b) as may be required by or in any legal, judicial or administrative proceeding or as otherwise required by law or regulation or as requested by a governmental or regulatory authority (in which case you agree, (i) to the extent practicable and to the extent permitted by law, to inform us promptly in advance thereof and (ii) to use commercially reasonable efforts to ensure that any such information so disclosed is accorded confidential treatment), (c) if the Commitment Party consents in writing to such proposed disclosure, (d) in connection with the enforcement of your rights hereunder, (e) this Commitment Letter, including the existence and contents thereof may be disclosed to any rating agency or (f) this Commitment Letter and the existence and contents hereof may be disclosed to the parties to the Restructuring Support Agreement filed in the Chapter 11 Cases on the date hereof and any other party required by the Bankruptcy Court. Notwithstanding anything to the contrary in the foregoing, you shall be permitted to file this Commitment Letter with the Bankruptcy Court under seal in form and substance reasonably satisfactory to Eclipse or in a redacted manner in form and substance reasonably satisfactory to Eclipse and provide an unredacted copy of this Commitment Letter to the Bankruptcy Court, the Office of the United States Trustee for the Southern District of Texas and any other party required by the Bankruptcy Court and advisors to any official committee appointed in the Chapter 11 Cases.

The Commitment Party shall use all information received by it in connection with the Exit Facility and the related transactions solely for the purposes of providing the services that are the subject of this Commitment Letter and shall treat confidentially all such information; *provided*, *however*, that nothing herein shall prevent the Commitment Party from disclosing any such information (a) to any Lenders or participants or prospective Lenders or participants, (b) in any legal, judicial, administrative proceeding or other compulsory process or as required by applicable law or regulations (in which case the Commitment Party shall promptly notify you, in advance, to the extent permitted by law), (c) upon the request or demand of any regulatory authority (including any self-regulatory authority) or other governmental authority purporting to have jurisdiction over the Commitment Party or any of its affiliates (in which case such person agrees (except with respect to any audit or examination conducted by bank accountants or any self-regulatory authority or governmental or regulatory authority exercising examination or regulatory authority), to the extent practicable and not prohibited by applicable law or regulation, to inform you promptly thereof prior to disclosure), (d) to the employees, legal counsel, independent auditors, professionals and other experts or agents of the Commitment Party (collectively, "***Representatives***") who are informed of the confidential nature of such information and are or have been advised of their obligation to keep information of this type confidential, (e) to any of its affiliates (*provided* that any such affiliate is advised of its obligation to retain such information as confidential, and the Commitment Party shall be responsible for its respective affiliates' compliance with this paragraph) solely in connection with the Transactions, (f) to the extent any such information becomes publicly available other than by reason of disclosure by the Commitment Party, its affiliates or Representatives in breach of this Commitment Letter, (g) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Commitment Letter or the Exit Facility and (h) pursuant to customary disclosure about the terms of the financing contemplated hereby in the ordinary course of business to market data collectors and similar service providers to the loan industry for league table purposes; *provided* that the disclosure of any such information to any Lenders or prospective Lenders or participants or prospective participants referred to above shall be made subject to the acknowledgment and acceptance by such Lender or prospective Lender or participant or prospective participant that such information is being disseminated on a confidential basis in accordance with the standard syndication processes of the Commitment Party or customary market standards for dissemination of such type of information.

The provisions of this paragraph shall automatically terminate on the earlier of (a) the Exit ABL Facility Closing Date and (b) two years following the date of this Commitment Letter.

8. Assignments

This Commitment Letter shall not be assignable by you without the prior written consent of the Commitment Party (and any purported assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto and the indemnified persons and is not intended to and does not confer any benefits upon, or create any rights in favor of, any person other than the parties hereto and the indemnified persons to the extent expressly set forth herein.

From the date hereof until the Exit Facility Expiration Date (as defined below), the Commitment Party agrees not to assign the commitments and agreements hereunder, in whole or in part, without the prior written consent of the Top Borrower; provided, that, to the extent the Top Borrower consents to any assignment, the proposed new Commitment Party shall execute a joinder agreement in form and substance acceptable to the Top Borrower.

9. Miscellaneous

The Commitment Party reserves the right to employ the services of its affiliates in providing services contemplated hereby and to allocate, in whole or in part, to its affiliates certain fees payable to the Commitment Party in such manner as the Commitment Party and its affiliates may agree in its sole discretion. This Commitment Letter may not be amended or waived except by an instrument in writing signed by you and the Commitment Party. 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 signature page of this Commitment Letter by facsimile or electronic transmission (e.g., "pdf" or "tif") shall be effective as delivery of a manually executed counterpart hereof. This Commitment Letter is the only agreement that has been entered into among us and you with respect to the Exit Facility and sets forth the entire understanding of the parties with respect thereto. This Commitment Letter and any claim or controversy arising hereunder or related hereto shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York and, to the extent applicable, the Bankruptcy Code.

You and we hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the Bankruptcy Court or any other Federal court having jurisdiction over the Chapter 11 Cases, and, to the extent that the Bankruptcy Court or Federal court do not have jurisdiction, any state or Federal court sitting in the Borough of Manhattan in the City of New York, over any suit, action or proceeding arising out of or relating to the Transactions or the other transactions contemplated hereby or this Commitment Letter or the performance of services hereunder. You and we agree that service of any process, summons, notice or document by registered mail addressed to you or us shall be effective service of process for any suit, action or proceeding brought in any such court. You and we hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding has been brought in any inconvenient forum. You and we hereby irrevocably agree to waive trial by jury in any suit, action, proceeding, claim or counterclaim brought by or on behalf of any party related to or arising out of the Transactions or this Commitment Letter or the performance of services hereunder.

The Commitment Party hereby notifies you that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law on October 26, 2001) (the "***PATRIOT Act***"), it is required to obtain, verify and record information that identifies each Borrower and each Guarantor, which information includes names, addresses, tax identification numbers and other information that will allow such Lender to identify each Borrower and each Guarantor in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective for the Commitment Party and each Lender.

Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter.

The indemnification, expense, jurisdiction, information, governing law and confidentiality provisions contained herein shall remain in full force and effect regardless of whether definitive financing documentation for the Exit Facility shall be executed and delivered and notwithstanding the termination of this Commitment Letter or the commitments hereunder; *provided* that your obligations under this Commitment Letter (other than your obligations with respect to confidentiality) shall automatically terminate and be superseded, to the extent comparable, by the provisions of the Exit Facility Credit Agreement upon the occurrence of the effectiveness thereof.

This Commitment Letter shall become effective as of the date each of the parties hereto shall have duly executed this Commitment Letter, concurrently with (and subject to) the effectiveness of the DIP ABL Credit Agreement (as defined in the Term Sheet) pursuant to Section 4.01 thereof. Thereafter, the commitments hereunder with respect to the Exit Facility shall automatically terminate on the Exit Facility Expiration Date (as defined below) unless the Commitment Party shall, in its discretion, agree to an extension. You may terminate this Commitment Letter with respect to the Exit Facility hereunder at any time subject to the provisions of the preceding sentence and payment of the applicable Exit Fee (as defined in the DIP ABL Credit Agreement).

For purposes of this Commitment Letter, "***Exit Facility Expiration Date***" means the date upon which either of the following occurs: (i) the termination of the DIP ABL Credit Agreement pursuant to Section 4.01 thereof or (ii) the maturity or termination of the DIP ABL Facility (as defined in the Term Sheet) prior to the Exit ABL Facility Closing Date.

[*Signature Pages Follow*]

[SIGNATURE PAGES OMITTED]

Exhibit A

CONFIDENTIAL

SERTA SIMMONS BEDDING, LLC
$125 MILLION EXIT ABL FACILITY
SUMMARY OF PRINCIPAL TERMS AND CONDITIONS

This term sheet (the "Term Sheet") sets forth a summary of the principal terms and conditions for the Exit ABL Facility (as defined below). Unless specifically defined herein, capitalized terms used herein shall have the meanings ascribed to such terms in (i) that certain ABL Credit Agreement, dated as of November 8, 2016 (as amended, restated, amended and restated, supplemented or otherwise modified prior to the Petition Date, the "Prepetition ABL Facility"), by and among, *inter alios*, Holdings, the Borrowers, the lenders from time to time party thereto and UBS AG, Stamford Branch, as administrative agent, or (ii) the Commitment Letter to which this Exhibit A is attached, as applicable.

Holdings:	Dawn Intermediate, LLC, a Delaware limited liability company or the parent entity of the Top Borrower to be mutually agreed by the Borrowers and the Exit ABL Agent ("Holdings").
Borrowers:	Serta Simmons Bedding, LLC, a Delaware limited liability company (the "Top Borrower"), National Bedding Company L.L.C., an Illinois limited liability company ("National Bedding"), and SSB Manufacturing Company, a Delaware corporation ("SSB Manufacturing" and together with National Bedding and the Top Borrower, the "Borrowers").
Guarantors:	The Borrowers' obligations under the Exit ABL Facility (the "Exit ABL Obligations"), will be guaranteed (the "Guaranty") on a joint and several basis by (x) Holdings and (y) each of the Top Borrower's existing and subsequently acquired or organized wholly-owned domestic restricted subsidiaries other than any Borrower (collectively, the "Subsidiary Guarantors"; and the Subsidiary Guarantors, together with Holdings, the "Guarantors"; and the Guarantors, together with the Borrowers, the "Loan Parties"); provided, that certain subsidiaries (including Excluded Subsidiaries) will not be required to be Subsidiary Guarantors consistent with the Documentation Principles.
Exit ABL Lenders:	On the Exit ABL Facility Closing Date (as defined below), the debtor-in-possession asset-based revolving credit facility (the "DIP ABL Facility") contemplated under the Senior Secured Super-Priority Debtor-in-Possession ABL Credit Agreement (the "DIP ABL Credit Agreement") dated as of the date of the Commitment Letter by and between, *inter alios*, the Borrowers and Eclipse Business Capital LLC ("Eclipse") will, subject to the terms and conditions set forth herein, be refinanced with a senior secured, asset-based revolving credit facility subject to a Borrowing Base (as defined below) and with commitments in an aggregate principal amount of $125 million from Eclipse or its affiliates. The lenders making commitments under the Exit ABL Facility are collectively referred to as "Exit ABL Lenders and, together with the Exit ABL Agent and the Exit ABL Issuing Lender (each as defined below), the "Exit ABL Secured Parties").

Exit Administrative Agent and Exit Collateral Agent:	Eclipse will act as the sole and exclusive administrative agent and collateral agent for the Exit ABL Lenders (in such capacities, the "Exit ABL Agent") and will perform the duties customarily associated with such roles.
SENIOR SECURED ASSET-BASED REVOLVING LOAN FACILITY	
Type and Amount:	A senior secured, asset-based revolving credit facility (the "Exit ABL Facility"), made available to the Borrowers in an initial aggregate principal amount of $125 million (the "Exit ABL Commitments" and loans thereunder, the "Exit ABL Loans"). The Total Exit ABL Outstandings (as defined below) shall exceed $20 million at all times, provided that Exit ABL Loans shall exceed $10 million at all times.
Availability:	The Exit ABL Facility shall be available on a revolving basis during the period commencing on the Exit ABL Facility Closing Date, subject to the limitations set forth under "Use of Proceeds" below and ending on the Exit ABL Termination Date (as defined below); provided that the aggregate amount of the Exit ABL Loans, unreimbursed Exit ABL Letter of Credit (as defined below) drawings and Exit ABL Letters of Credit outstanding under the Exit ABL Facility at any time (collectively, the "Total Exit ABL Outstandings") shall not in total exceed an amount equal to the lesser of (a) the Exit ABL Commitments and (b) the then applicable Borrowing Base (such lesser amount, the "Line Cap" and the amount by which the Line Cap at any time exceeds the Total Exit ABL Outstandings, the "Availability").
Borrowing Base:	The "Borrowing Base" shall, at any time, equal the sum of the following as set forth in the most recently delivered Borrowing Base Certificate (as defined below):[1] (a) 90% of the Loan Parties' Eligible Trade Receivables (as described below) (provided, that if dilution exceeds 5%, the Exit ABL Agent may, at its option in its Permitted Discretion, (i) reduce such advance rate by the number of full or partial percentage points comprising such excess or (ii) establish a reserve on account of such excess); plus (b) (i) prior to the establishment of the net recovery percentage, the lesser of (A) $15 million and (B) 15% of the lower of cost (determined on a FIFO basis) or market value of the Loan Parties' Eligible Inventory (as described below) and Eligible In-Transit Inventory (as described below); or (ii) after the establishment of the net recovery percentage, the lesser of (A) $30 million and (B) the lower of (x) 65% of the lower of cost (determined on a FIFO basis) or market value of

[1] Canadian Borrowing Base option (and Canadian Loan Parties) to be determined, subject to business and legal diligence.

the Loan Parties' Eligible Inventory and Eligible In-Transit Inventory and (y) 85% of the net recovery percentage of such Eligible Inventory and Eligible In-Transit Inventory, multiplied by the cost of each such category of inventory;

provided that the aggregate amount of availability generated by Eligible In-Transit Inventory (after applying advance rates set forth above) pursuant to this clause (b) shall not exceed $7.5 million; plus

(c) up to $40 million of unrestricted cash of the Loan Parties maintained in a deposit account at Wells Fargo (or another institution acceptable to the Exit ABL Agent in its sole discretion) that is subject to the Exit ABL Agent's first-priority security interest and a fully blocked account control agreement in favor of the Exit ABL Agent (pursuant to which the Exit ABL Agent is granted sole dominion and control over such account), it being agreed that any withdrawals from such account shall be subject to restrictions substantially similar to those for withdrawals from the "QC Blocked Account" set forth in the DIP ABL Facility); minus

(d) the Availability Block (as defined below); minus

(e) such reserves as the Exit ABL Agent may establish in its Permitted Discretion (as defined below).

The components of the Borrowing Base shall be defined in a manner substantially similar to the definitions of such terms in the Prepetition ABL Facility, with dollar amounts and percentage caps and other changes to be mutually agreed by the Borrowers and the Exit ABL Agent (including certain ineligibility criteria to be mutually agreed in connection with the DIP ABL Facility by the parties thereto, to the extent such criteria are not related to the Chapter 11 Cases).

"Availability Block" means an amount equal to the greater of (i) $5 million and (ii) 10% of the Borrowing Base (calculated without giving effect to clauses (d) and (e) of the definition thereof).

The Borrowing Base will be computed on a monthly basis pursuant to a monthly borrowing base certificate (the "Borrowing Base Certificate") to be delivered by the Top Borrower to the Exit ABL Agent. The Borrowing Base Certificate shall be delivered within 15 days after the end of each month; provided, that, during any period during which a Weekly Reporting Condition (as defined below) exists, the Top Borrower will be required to compute the Borrowing Base weekly, with the applicable Borrowing Base Certificate to be delivered within 3 business days after the end of each week. The Top Borrower will be required to deliver related collateral reports and documents in scope and frequency to be mutually agreed by the Borrowers and the Exit ABL Agent (which collateral reporting, for the avoidance of doubt, may not be limited to the collateral reporting required under the Prepetition ABL

Facility).

In addition, notwithstanding anything to the contrary contained herein, in the event that, since the most recent delivery of a Borrowing Base Certificate, the Loan Parties (or any of them) consummate any transaction (including, without limitation, any investment, restricted payment or other disposition, or any designation of a restricted subsidiary as an Unrestricted Subsidiary (as defined below), but excluding dispositions in the ordinary course of business or to a Loan Party) that result in the disposition of, subordination of the Exit ABL Agent's liens on, or release of a Loan Party owning, ABL Priority Collateral (as defined below) (whether as part of a sale of capital stock or other equity interests or otherwise) with a value (as reasonably determined by the Top Borrower), individually for such transaction or in the aggregate for all such transactions since the most recent delivery of a Borrowing Base Certificate, in excess of the lesser of (x) $5 million and (y) 5% of the Borrowing Base at such time, as a condition to the permissibility of the consummation of such transaction pursuant to any provision of Exit ABL Credit Documents (as defined below), (x) the Top Borrower shall have provided to the Exit ABL Agent an updated Borrowing Base Certificate (giving pro forma effect to such transaction) prior to the consummation of such transaction and (y) no overadvance shall exist after giving effect to such transaction (the foregoing, the "Updated BBC Condition").

"Permitted Discretion" means reasonable (from the perspective of a secured asset-based lender) credit judgment exercised in good faith in accordance with customary business practices of the Exit ABL Agent for comparable asset-based lending transactions.

"Weekly Reporting Condition" means (a) each period during which an Event of Default has occurred and is continuing and (b) each period from the date on which Availability is less than $10 million to the date on which Availability has been at least equal to $10 million for each day during a period of 20 consecutive calendar days.

The establishment or increase of any reserve against the Borrowing Base shall be limited to such reserves against the Borrowing Base as the Exit ABL Agent from time to time determines in its Permitted Discretion as being necessary to reflect items that could reasonably be expected to adversely affect (i) the value of the Eligible Trade Receivables, Eligible Inventory and/or Eligible In-Transit Inventory or (ii) the applicable ABL Priority Collateral, including without limitation the value, enforceability, perfection or priority of the Exit ABL Agent's Liens (as defined below) thereon or the Exit ABL Agent's access thereto (including customary rent reserves, in the absence of collateral access agreements and landlord waivers, with respect to locations in a landlord lien "priming" jurisdiction and other material inventory locations to be agreed); provided that no reserve may be taken after the Exit ABL Facility Closing Date based on any circumstance, condition, event or contingency known to the Exit ABL Agent as of the Exit ABL Facility Closing Date and for which no reserve was imposed on the Exit ABL Facility Closing Date, unless such circumstance, condition, event or

	contingency has changed in any material adverse respect since the Exit ABL Facility Closing Date. After the Exit ABL Facility Closing Date, the Exit ABL Agent reserves the right to establish or modify any reserve against the Borrowing Base, acting in its Permitted Discretion, upon at least 2 business days' prior written notice to the Top Borrower (which notice shall include a reasonably detailed description of the reserve being established). During such 2-business day period, (x) the Exit ABL Agent shall, upon request, discuss any such reserve or change with the Top Borrower, and the Top Borrower may take any action that may be required so that the event, condition or matter that is the basis for such reserve or change no longer exists or exists in a manner that would result in the establishment of a lower reserve or result in a lesser change, in each case, in a manner and to the extent reasonably satisfactory to the Exit ABL Agent, and (y) such reserve or change shall be deemed to be in effect for purposes of determining availability for additional borrowings or other extensions of credit. Notwithstanding anything to the contrary herein, (a) the amount of any such reserve or change shall have a reasonable relationship to the event, condition or other matter that is the basis for such reserve or such change, (b) no reserve or change shall be duplicative of any reserve or change already accounted for through eligibility criteria (including collection/advance rates) and (c) no dilution reserve shall be imposed with respect to dilution other than as set forth in clause (a) of the definition of "Borrowing Base".
Maturity:	The Exit ABL Commitments shall terminate and the Exit ABL Loans will mature on the date (the "Exit ABL Termination Date") that is 4 years after the Exit ABL Facility Closing Date.
Exit ABL Letters of Credit:	$10 million of the Exit ABL Facility shall be available for the issuance of letters of credit, including documentary letters of credit (the "Exit ABL Letters of Credit"), by Wells Fargo Bank, National Association (in such capacity, the "Exit ABL Issuing Lender"); provided that the Exit ABL Issuing Lender shall not be required to issue documentary or trade Exit ABL Letters of Credit without its consent. The Exit ABL Credit Documents will contain terms for Exit ABL Letters of Credit substantially similar to those set forth in the DIP ABL Facility.
Use of Proceeds:	The Exit ABL Loans shall be made available to the Borrowers: (i) on the Exit ABL Facility Closing Date to (a) refinance all outstanding obligations and replace commitments under the DIP ABL Facility, including rolling the letters of credit outstanding thereunder, and (b) to pay the fees, costs and expenses incurred in connection with the transactions contemplated hereby (including fees and expenses related to the Loan Parties' emergence from the Chapter 11 Cases); and (ii) on and/or after the Exit ABL Facility Closing Date (a) to finance the working capital needs and other general corporate purposes of Holdings and its subsidiaries (including for capital expenditures, working capital and/or purchase price adjustments, the payment of transaction fees and expenses (in each case, including in connection with the transactions), acquisitions and other investments, restricted payments and any other purpose not prohibited by the Exit ABL Credit Documents), (b) for

payments contemplated by the Approved Plan (as defined below), and (c) payment of all reasonable and documented out-of-pocket costs, fees and expenses required by the Exit ABL Credit Documents and other fees and expenses in connection with the transactions on the Exit ABL Facility Closing Date.

ABL Incremental Facilities: None.

CERTAIN PAYMENT PROVISIONS

Fees and Interest Rates: As set forth on Annex I to this Exhibit A.

Optional Prepayments and Commitment Termination: Exit ABL Loans may be prepaid and Exit ABL Commitments may be terminated (but may not be partially reduced), subject to payment of the applicable Early Termination Fee (as defined below), at the option of the Top Borrower at any time, subject to the concurrent cash collateralization (or, to the extent acceptable to the Exit ABL Issuing Lender, "backstop" or other replacement) of outstanding Exit ABL Letters of Credit at 103% of the face amount thereof and repayment of all other outstanding Exit ABL Obligations.

Mandatory Prepayments: To the extent that the Total Exit ABL Outstandings exceed the Line Cap, the Top Borrower shall, within 1 business day thereafter, repay the outstanding Exit ABL Loans (and, if there are no Exit ABL Loans outstanding, cash collateralize (or, to the extent acceptable to the Exit ABL Issuing Lender, "backstop" or replace) outstanding Exit ABL Letters of Credit at 103% of the face amount thereof) under the Exit ABL Facility in an amount equal to such excess.

COLLATERAL The Exit ABL Obligations and the obligations of each other Loan Party under the Guaranty shall be secured by:

(a) a perfected first-priority security interest (subject to customary ordinary course permitted prior liens to be mutually agreed) in substantially all now owned or hereafter acquired personal property of each Loan Party that consists of "ABL Priority Collateral" (to be defined substantially similar to the Prepetition Intercreditor Agreement referred to below); and

(b) a perfected second-priority security interest (subject to customary ordinary course permitted prior liens to be mutually agreed) in substantially all now owned or hereafter acquired personal property and material real property of each Loan Party that consists of "Term Loan Priority Collateral" (to be defined substantially similar to the Prepetition Intercreditor Agreement);

in each case, excluding Excluded Assets (as defined consistent with the Documentation Principles; provided, that in no event shall any property included in the Borrowing Base constitute an Excluded Asset) (collectively, the "Collateral").

"Exit First Lien Term Facility" means the term loan credit facility to be provided pursuant to the New Term Loan Credit Facility Agreement (as defined in the Restructuring Support Agreement to be entered into on the date hereof).

The Exit ABL Facility will be secured on a first-priority basis with respect to the ABL Priority Collateral and a second-priority basis with respect to the Term Loan Priority Collateral. The Exit ABL Facility will be *pari passu* in right of payment with the Exit First Lien Term Facility.

The lien priority, relative rights and other creditors' rights issues in respect of the Exit ABL Facility and the Exit First Lien Term Facility will be set forth in an intercreditor agreement (the "Exit ABL Intercreditor Agreement") that will be based upon and substantially similar to the ABL Intercreditor Agreement with respect to the Prepetition ABL Facility (the "Prepetition Intercreditor Agreement"), with such changes thereto as are reasonably agreed by the Top Borrower, the agent with respect to the Exit First Lien Term Facility and the Exit ABL Agent.

CERTAIN CONDITIONS

Conditions to Exit ABL Facility Closing Date:

Each Exit ABL Lender's obligation to provide its share of the initial extension of credit on the to Exit ABL Facility Closing Date shall be subject to the satisfaction (or waiver by Exit ABL Lenders) of the conditions precedent to be set forth in the Exit ABL Credit Documents and limited to the below (collectively, the "Exit ABL Facility Conditions Precedent" and the date on which such Exit ABL Facility Conditions Precedent are satisfied, the "Exit ABL Facility Closing Date"):

(a) The Bankruptcy Court shall have entered an order, in form and substance reasonably satisfactory to the Exit ABL Agent and the Exit ABL Lenders, confirming an "Acceptable Plan" under (and as defined in) the DIP ABL Facility (an "Approved Plan") including approval of the Exit ABL Facility and the Exit First Lien Term Facility and releases and exculpation (the "Confirmation Order"), and the Confirmation Order shall have become a final order and shall not have been reversed, vacated, amended, supplemented or otherwise modified in any manner that would reasonably be expected to adversely affect the interests of the Exit ABL Agent or the Exit ABL Lenders and authorizing the Top Borrower and its restricted subsidiaries to execute, deliver and perform under the Exit ABL Credit Documents;

(b) The Exit ABL Credit Documents (i) shall be in form and substance consistent with this Term Sheet and otherwise reasonably satisfactory to each of the Top Borrower and the Exit ABL Agent (such approval not to be unreasonably withheld, delayed or conditioned), and (ii) shall have been executed and delivered by each party thereto;

(c) The "Effective Date" of the Approved Plan (the "Plan Effective Date") and all material transactions contemplated in the Approved Plan or in the Confirmation Order to occur on the Plan Effective Date shall have occurred on the Exit ABL Facility Closing Date (or concurrently with the occurrence of Exit ABL Facility Closing Date, shall occur) in accordance with the terms thereof and in compliance with applicable law, the applicable orders of the Bankruptcy Court and material regulatory approvals;

(d) All obligations under the DIP ABL Facility shall have been (or concurrently with the Exit ABL Facility Closing Date shall be) repaid in full in cash (or, with respect to letters of credit outstanding thereunder, deemed issued under the Exit ABL Facility);

(f) The Exit ABL Agent shall have received satisfactory evidence that immediately after the consummation of the Approved Plan, total outstanding third party debt for borrowed money outstanding (excluding letters of credit or drawn amount under the Exit ABL Facility or any capital leases) and net of unrestricted cash and cash equivalents of the Top Borrower and its restricted subsidiaries shall not exceed $350 million;

(g) The Exit ABL Agent shall have received satisfactory evidence that immediately after the consummation of the Approved Plan, total unrestricted cash and cash equivalents of the Top Borrower and its restricted subsidiaries shall be no less than $50 million;

(h) All fees, costs and expenses that are due with respect to the Exit ABL Facility and payable prior to or on such date (including legal fees, costs and expenses, to the extent invoiced at least two business days prior to the Exit ABL Facility Closing Date), shall have been paid or reimbursed;

(i) Delivery of customary documents and certificates (including organizational documents, evidence of corporate authorization and specimen signatures) and customary legal opinions dated as of the Exit ABL Facility Closing Date and such other documentation that the Exit ABL Agent may reasonably request in order to effectuate the Exit ABL Facility; and

(j) Eclipse shall be a lender under the DIP ABL Facility, and no Event of Default (as defined thereunder) shall have occurred and be continuing thereunder on the Exit ABL Facility Closing Date (or, if earlier, the date upon which the DIP ABL Facility was terminated).

Conditions to all Extensions of Credit:	The Exit ABL Lenders' obligation to provide any extensions of credit on and after the Exit ABL Facility Closing Date (other than any amendment, modification, renewal or extension of an Exit ABL Letter of Credit which does not increase the face amount of such Exit ABL

Letter of Credit) shall be subject to the satisfaction of the conditions set forth in the Exit ABL Credit Documents and limited to:

(a) the accuracy in all material respects of all representations and warranties in the Exit ABL Credit Documents as of the date of the relevant extension of credit, except to the extent any such representation and warranty expressly relates to an earlier date, in which case such representation and warranty shall be required to be accurate in all material respects as of such earlier date,

(b) there being no default or Event of Default in existence at the time of, or after giving effect to the making of, such extension of credit,

(c) delivery of a customary borrowing notice or request for issuance of an Exit ABL Letter of Credit, as applicable, and

(d) the Total Exit ABL Outstandings not exceeding the Line Cap.

DOCUMENTATION

As used herein, the "Exit ABL Credit Documents" means, collectively, the credit agreement (the "Exit ABL Credit Agreement") and other credit documents (including the Exit ABL Intercreditor Agreement), and all other related agreements and documents creating, evidencing, or securing indebtedness or obligations of any of the Loan Parties to any Exit ABL Secured Parties on account of the Exit ABL Facility or granting or perfecting liens or security interests by any of the Loan Parties in favor of and for the benefit of the Exit ABL Agent, for itself and for and on behalf of the Exit ABL Secured Parties, as same now exists or may hereafter be amended, modified, supplemented, ratified, assumed, extended, renewed, restated, or replaced, and any and all of the agreements, certificates and documents currently executed and/or delivered or to be executed and/or delivered in connection therewith or related thereto, by and among any of the Loan Parties, the Exit ABL Agent and the other Exit ABL Secured Parties.

The Exit ABL Credit Agreement will be based upon the Prepetition ABL Facility with such changes thereto as are appropriate to reflect (i) terms customary and usual for exit financings of this type (with materiality qualifications, thresholds, exceptions and baskets to be mutually agreed) and the terms and conditions and other provisions set forth in this Term Sheet, (ii) reasonable administrative agency and operational requirements of the Exit ABL Agent and (iii) changes in applicable law (the "Documentation Principles"). The Credit Documentation shall contain customary "J.Crew" and "Chewy" protections as reasonably agreed by the Top Borrower and the Exit ABL Agent.

Representations and Warranties:

Each of the Loan Parties will make all representations and warranties set forth in the Prepetition ABL Facility, subject to the Documentation Principles.

Affirmative Covenants:	Consistent with the Documentation Principles and limited to the following: delivery of (a) monthly financial statements within 30 days after the end of each fiscal month, (b) annual audited financial statements within 120 days after the end of each fiscal year accompanied by an opinion of a nationally-recognized independent accounting firm that is not subject to (i) a "going concern" qualification (but not a "going concern" explanatory paragraph or like statement) (other than a "going concern" qualification resulting from (A) the maturity of any indebtedness within the 4 fiscal quarter period following the relevant audit opinion or (B) the breach or anticipated breach of any financial covenant) or (ii) a qualification as to the scope of the relevant audit, (c) quarterly unaudited financial statements (for each of the first 3 fiscal quarters of each fiscal year) within 60 days after the end of each fiscal quarter, (d) an annual budget within 60 days after the end of each fiscal year, (e) officers' certificates and other information reasonably requested by the Exit ABL Agent, (f) concurrently with the delivery of annual and quarterly financial statements, a compliance certificate, and (g) notices of default, certain events that would reasonably be expected to have a Material Adverse Effect, and certain information regarding Collateral; maintenance of books and records; maintenance of existence; compliance with laws (including, without limitation, ERISA, environmental laws, FCPA, OFAC and the PATRIOT Act); environmental matters; maintenance of property and insurance (including, maintenance of flood insurance on all mortgaged property that is in a special flood hazard zone, from such providers, on such terms and in such amounts as required by the Flood Disaster Protection Act (where applicable) as amended from time to time); payment of taxes; right of the Exit ABL Agent to inspect property and books and records (subject, absent a continuing Event of Default, to frequency and cost reimbursement limitations); use of proceeds; designation of Unrestricted Subsidiaries; cash management; further assurances, including without limitation on guaranty and Collateral matters (including, without limitation, with respect to (A) additional guarantees and security interests in after-acquired property and (B) the mortgage of material real property, subject to the parameters set forth under "COLLATERAL" above); delivery of the Borrowing Base Certificates required above under the heading "Borrowing Base" and other customary asset-based lending reporting requirements; and right of the Exit ABL Agent and its representatives to conduct, at the Borrowers' expense, (A)(x) one field examination in each consecutive 9-month period after the Exit ABL Facility Closing Date at the Exit ABL Agent's discretion and (y) one appraisal in each consecutive 12-month period after the Exit ABL Facility Closing Date at the Exit ABL Agent's discretion, and (B) unlimited field examinations and appraisals after the occurrence and during the continuance of any Event of Default).
Financial Covenant:	None.
Cash Management/Cash Dominion:	During a Cash Dominion Period (as defined below), upon delivery of a written notice by the Exit ABL Agent to the Top Borrower, the Exit ABL Agent shall have the right to require that any amount on deposit in any such controlled account (subject to customary exceptions and thresholds to be mutually agreed in the Exit ABL Credit Documents

(including, for the avoidance of doubt, exceptions for Tax and Trust Funds)) be swept on a daily basis into a core concentration account maintained under the sole dominion and control of the Exit ABL Agent. The Exit ABL Agent shall have the right during any Cash Dominion Period to cause all amounts on deposit in the core concentration account to be applied on a daily basis to reduce loans outstanding under the Exit ABL Facility and then to cash collateralize any outstanding Exit ABL Letters of Credit (in each case, subject to a cash release mechanic upon the termination of such Cash Dominion Period); it being understood that the Exit ABL Credit Documents shall provide for the turnover of Tax and Trust Funds during a Cash Dominion Period.

"Cash Dominion Period" means (a) each period from the date on which Availability is less than $10 million to the date on which Availability has been at least equal to $10 million for each day during a period of 20 consecutive calendar days or (b) each period during which any Specified Default has occurred and is continuing.

"Specified Default" shall mean any payment or bankruptcy Event of Default, a failure to deliver a Borrowing Base Certificate (subject to a 5 business days grace period (or a 3 business day grace period when weekly delivery of Borrowing Base Certificates is required)), or any Event of Default arising from a breach of the "Cash Management" provisions set forth above during a Cash Dominion Period.

Negative Covenants:

The negative covenants shall be substantially similar to (and limited to) those negative covenants set forth in the Prepetition ABL Facility, subject to the Documentation Principles, including baskets and exceptions subject to Payment Conditions (as defined substantially similar with the Prepetition ABL Facility) and other baskets and exceptions to be mutually agreed.

No investment or other disposition of intellectual property that is material to the business or operations of any Loan Party or the sale or other disposition of any ABL Priority Collateral ("Material Intellectual Property") may be made from any Loan Party or any other restricted subsidiary to any Unrestricted Subsidiary.

In the event of any disposition of Material Intellectual Property (other than to a Loan Party), the purchaser, assignee or other transferee thereof shall agree in writing to be bound by a non-exclusive, royalty-free worldwide license of such intellectual property in favor of the Exit ABL Agent for use in connection with the exercise of its rights and remedies under the Exit ABL Documents.

Unrestricted Subsidiaries:

The Exit ABL Credit Documents will contain provisions pursuant to which the Top Borrower will be permitted to designate (or re-designate) any existing or subsequently acquired or organized restricted subsidiary as an "unrestricted subsidiary" (each, an "Unrestricted Subsidiary") and designate (or re-designate) any such Unrestricted Subsidiary as a restricted subsidiary; provided, that after giving effect to any such designation or re-designation, no Event of Default shall exist (including after giving effect to the reclassification of any investment in,

	indebtedness of, and/or any lien on the assets of, the relevant subsidiary). Unrestricted Subsidiaries (and the sale of any equity interests therein or assets thereof) will not be subject to the mandatory prepayment, representations and warranties, affirmative or negative covenants, or Event of Default provisions of the Exit ABL Credit Documents, and the results of operations and indebtedness of Unrestricted Subsidiaries will not be taken into account for purposes of determining compliance with any financial ratio set forth in the Exit ABL Credit Documents. No subsidiary may be, or be designated as, an Unrestricted Subsidiary under the Exit ABL Facility if (i) it is a restricted subsidiary under the Exit First Lien Term Facility, (ii) it is a Borrower, or (iii) it owns, directly or indirectly, any capital stock or other equity interests in a Loan Party or any other restricted subsidiary, holds any debt or any lien on any property of any Loan Party or any other restricted subsidiary or holds any Material Intellectual Property. For the avoidance of doubt, the designation of a restricted subsidiary as an Unrestricted Subsidiary shall be deemed to be an investment in such Unrestricted Subsidiary in an amount equal to the fair market value of such subsidiary at the time of designation.
Events of Default:	The Exit ABL Credit Documents will contain events of default (the "Events of Default") customary for facilities of this size, type and purpose and limited to (and with qualifications and exceptions, where applicable, substantially similar to) those set forth in the Prepetition ABL Facility, subject to the Documentation Principles.
Amendments:	Subject to the consent of the Required Exit ABL Lenders, with certain customary amendments subject to the consent of each Exit ABL Lender, each Exit ABL Lender directly and adversely affected thereby, the Exit ABL Agent or the Exit ABL Issuing Lender, as applicable. "Required Exit ABL Lenders" shall mean the Exit ABL Lenders holding a majority in amount of aggregate Exit ABL Loans and Exit ABL Commitments.
Defaulting Exit ABL Lenders:	The Exit ABL Credit Documents will contain customary limitations on and protections with respect to "defaulting" Exit ABL Lenders substantially similar to those set forth in the Prepetition ABL Facility.
Assignments and Participations:	The Exit ABL Lenders shall be permitted to assign all or a portion of their commitments to any person (other than to (a) any Disqualified Institution, (b) any natural person and (c) the Top Borrower (or any affiliate thereof)) with the consent of (i) the Top Borrower (not to be unreasonably withheld or delayed) and such consent not to be required during the continuance of any payment or bankruptcy Event of Default (with respect to any Loan Party) and (ii) the Exit ABL Agent (not to be unreasonably withheld or delayed). In the case of partial assignments (other than to another Exit ABL Lender or an affiliate of an Exit ABL Lender), the minimum assignment amount shall be $5.0 million unless otherwise agreed by the Top Borrower and the Exit ABL Agent. The Exit ABL Agent shall receive a processing and recordation fee of $3,500 (which fee may be waived or reduced in the sole discretion of the Exit

	ABL Agent) in connection with all assignments. The Exit ABL Lenders shall also have the right to sell participations in their Exit ABL Loans to other persons (other than to any Disqualified Institutions). Participants shall have the same benefits as the Exit ABL Lenders with respect to yield protection and increased cost provisions subject to customary limitations and restrictions. Voting rights of participants shall be limited to those matters with respect to which the affirmative vote of each Exit ABL Lender or each Exit ABL Lender directly and adversely affected thereby, as applicable, is required. Pledges of Exit ABL Loans in accordance with applicable law shall be permitted without restriction other than to Disqualified Institutions. The Exit ABL Agent shall be permitted to make the list of Disqualified Institutions available to any Lender who specifically requests a copy thereof. The Exit ABL Agent shall not have any liability for assignments or participations made to Disqualified Institutions or affiliated Lenders (regardless of whether the consent of the Exit ABL Agent is required thereto), and none of the Top Borrower, any Exit ABL Lender nor any of their respective affiliates will bring any claim to such effect but, for the avoidance of doubt, the Exit ABL Agent shall not be (i) obligated to ascertain, monitor or inquire as to whether any lender is a Disqualified Institution or (ii) have any liability with respect to any assignment of Exit ABL Loans to any Disqualified Institution (other than for gross negligence or willful misconduct if the Top Borrower has not consented in writing to an assignment to a Disqualified Institution).
Expenses and Indemnification:	The Exit ABL Credit Documents will contain expense reimbursement and indemnification provisions customary for facilities of this size, type and purpose and substantially similar to the DIP ABL Facility.
Governing Law and Forum:	New York
Counsel to the Exit ABL Agent:	Choate, Hall & Stewart LLP.

Annex I to Exit ABL Facility Term Sheet

INTEREST AND CERTAIN FEES

Interest Rates:

The Exit ABL Loans comprising each borrowing shall bear interest at a rate per annum equal to the Adjusted Term SOFR Rate (as defined below) plus the Applicable Margin (as defined below), subject to limited circumstances (to be set forth in the Exit ABL Credit Documents) in which the Exit ABL Loans comprising each borrowing shall bear interest at a fallback rate per annum equal to the ABR (as defined below) plus the Applicable Margin. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing, at the election of the Exit ABL Agent or the Required Exit ABL Lenders, the Exit ABL Loans comprising each borrowing shall bear interest at a rate per annum equal to the ABR (as defined below) plus the Applicable Margin.

For purposes of computing interest on the Exit ABL Loans, and solely to the extent a Cash Dominion Period is then continuing, all payments and collections shall be deemed applied by the Exit ABL Agent 1 business day after the Exit ABL Agent's receipt of advice of deposit thereof at the Exit ABL Agent's bank.

As used herein:

"ABR" means the highest of (a) the rate announced by Wells Fargo Bank, National Association, at its principal office in San Francisco, as its "prime rate", (b) the federal funds rate plus 50 basis points, (c) the Adjusted Term SOFR Rate plus 1.00% and (d) 2.00%.

"ABR Loans" means Exit ABL Loans bearing interest based upon the ABR. ABR Loans will be made available on same day notice.

"Adjusted Term SOFR Rate" means the higher of (a) the Term SOFR Rate plus the Term SOFR Adjustment and (b) 1.00% per annum.

"Term SOFR Adjustment" means 0.11448%.

"Term SOFR Rate" means, for any calendar month, the Term SOFR Reference Rate for a tenor of one month at approximately 5:00 p.m., New York time, two U.S. government securities business days prior to the commencement of such calendar month, as such rate is published by the CME Term SOFR Administrator.

"Term SOFR Rate Loans" means Exit ABL Loans bearing interest based upon the Adjusted Term SOFR Rate. Term SOFR Rate Loans will be made available on same day notice.

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the CME Term SOFR Administrator.

"CME Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Exit ABL Agent in its reasonable discretion).

"Applicable Margin" shall be (i) until the nine-month anniversary of the Exit ABL Facility Closing Date (x) with respect to Term SOFR Rate Loans, 4.50% and (y) with respect to ABR Loans, 3.50% and (ii) thereafter, as set forth in the pricing grid below.

Level	Fixed Charge Coverage Ratio ("FCCR") and Availability	Applicable Margin for Term SOFR Rate Loans	Applicable Margin for ABR Loans
I	FCCR: ≥ 2.00x and Availability: ≥ 30%	4.00%	3.00%
II	FCCR: ≥ 1.50x and < 2.00x and Availability: ≥ 20% *or* FCCR: ≥ 2.00x and Availability: ≥ 20% and < 30%	4.25%	3.25%
III	FCCR: < 1.50x *or* Availability: < 20%	4.50%	3.50%

Fixed Charge Coverage Ratio (to be defined in a manner to be mutually agreed) and Availability will be determined based on the most recent compliance certificate delivered after the Exit ABL Facility Closing Date.

Interest Payment Date: The first day of each calendar month.

Minimum Interest: For purposes of computing interest on the Exit ABL Loans on any day, if the aggregate principal amount of Exit ABL Loans actually outstanding on such day is less than the result (the "Minimum Borrowing Amount") of (i) $20 million minus (ii) the aggregate amount (not to exceed $10 million) of Exit ABL Letters of Credit then outstanding, then such interest shall be computing as if Exit ABL Loans were outstanding in such Minimum Borrowing Amount.

ABL Facility Commitment Fee: The Top Borrower shall pay a commitment fee (the "Exit ABL Facility Commitment Fee") calculated at a rate per annum equal to 0.50% on the actual daily unused portion of the Exit ABL Commitments of non-defaulting Exit ABL Lenders, payable monthly in arrears. For purposes of the commitment fee calculations, the Total Exit ABL Outstandings shall

be deemed to be a utilization of the Exit ABL Facility.

Letter of Credit Fees: The Top Borrower shall pay a fee on all outstanding Exit ABL Letters of Credit at a per annum rate equal to the Applicable Margin then in effect with respect to Term SOFR Rate Loans under the Exit ABL Facility on the face amount of each such Exit ABL Letter of Credit. Such fee shall be shared ratably among the Exit ABL Lenders and shall be payable monthly in arrears.

A fronting fee in an amount equal to 0.25% per annum on the then-available face amount of each Exit ABL Letter of Credit shall be payable monthly in arrears to the Exit ABL Issuing Lender for its own account. In addition, the Top Borrower shall pay customary issuance and administration fees to the Exit ABL Issuing Lender.

Collateral Monitoring Fee: The Top Borrower shall pay a collateral monitoring fee, for the sole benefit of the Exit ABL Agent, equal to 0.05% of the average daily used portion of the Exit ABL Commitments. Such fee shall be fully earned as it accrues and due and payable in arrears on the first day of each calendar month.

Early Termination Fee: If, before the Exit ABL Termination Date, the Exit ABL Commitments are terminated for any reason (including any voluntary, mandatory or automatic termination, regardless of whether an Event of Default has occurred and is continuing, and including by reason of acceleration, automatic acceleration or otherwise), then the Top Borrower shall pay a fee (the "Early Termination Fee"), as liquidated damages and compensation for the cost of the Exit ABL Lenders being prepared to make funds available under the Exit ABL Commitments during the scheduled term of the Exit ABL Facility, in an amount equal to the applicable percentage set forth below of the amount of the Exit ABL Commitments so terminated:

(i) 2.0% if on or before the first anniversary of the Exit ABL Facility Closing Date;

(ii) 1.5% if after the first anniversary of the Exit ABL Facility Closing Date and on or before the second anniversary of the Exit ABL Facility Closing Date;

(iii) 1.0% if after the second anniversary of the Exit ABL Facility Closing Date and on or before the third anniversary of the Exit ABL Facility Closing Date; and

(iv) 0.5% if after the third anniversary of the Exit ABL Facility Closing Date; and

provided, that no Early Termination Fee shall be due and payable with respect to any voluntary termination of all of the Exit ABL Commitments by the Top Borrower on or after the date that is 60 days prior to the Exit ABL Termination Date, so long as the Top Borrower has given Exit ABL Agent written notice of such termination at least 90 days prior to the date

	of such termination.
Default Rate:	At any time when an event of default under the Exit ABL Facility exists, at the election of the Exit ABL Agent or the direction the Required Exit ABL Lenders, all overdue amounts shall bear interest, to the fullest extent permitted by law, at (i) in the case of principal or interest, 2.00% per annum above the rate then borne by (in the case of principal) such borrowings or (in the case of interest) the borrowings to which such interest relates or (ii) in the case of all other overdue amounts, 2.00% per annum in excess of the rate otherwise applicable to Exit ABL Loans maintained as ABR Loans from time to time.
Rate and Fee Basis:	All per annum rates shall be calculated on the basis of a year of 360 days (or 365/366 days, in the case of ABR Loans the interest payable on which is then based on the prime rate) for actual days elapsed.

Exhibit H

Takeback Debt Terms

DAWN INTERMEDIATE, LLC

NEW TERM LOAN TERM SHEET[1]

January 23, 2023

Term	Description
Type	• Senior Secured Term Loans
Principal Amount	• $300,000,000
Maturity Date	• 5 years after the effective date of the Plan
Security	• Second priority lien on all assets of the Reorganized Debtors that would constitute ABL Priority Collateral (as defined in the ABL Intercreditor Agreement) • A first priority lien on all assets of the Reorganized Debtors that would constitute Term Priority Collateral (as defined in the ABL Intercreditor Agreement)
Interest Rate	• SOFR + 750bps • SOFR floor of 1.00%
Amortization	• No amortization in 2023 or 2024 • 1.0% per annum beginning in 2025
Call Protection	• 102, 101, par, which shall also be payable upon maturity, acceleration, termination, conversion, payment, prepayment, or repayment (excluding certain mandatory prepayments) and to include bankruptcy protections
Original Issue Discount	• 1.0%
Financial Covenants	• Minimum liquidity of $25mm tested monthly

[1] Capitalized terms used herein and not defined herein shall have the meanings set forth in the Restructuring Support Agreement to which this term sheet is attached (including in any annexes or exhibits thereto).

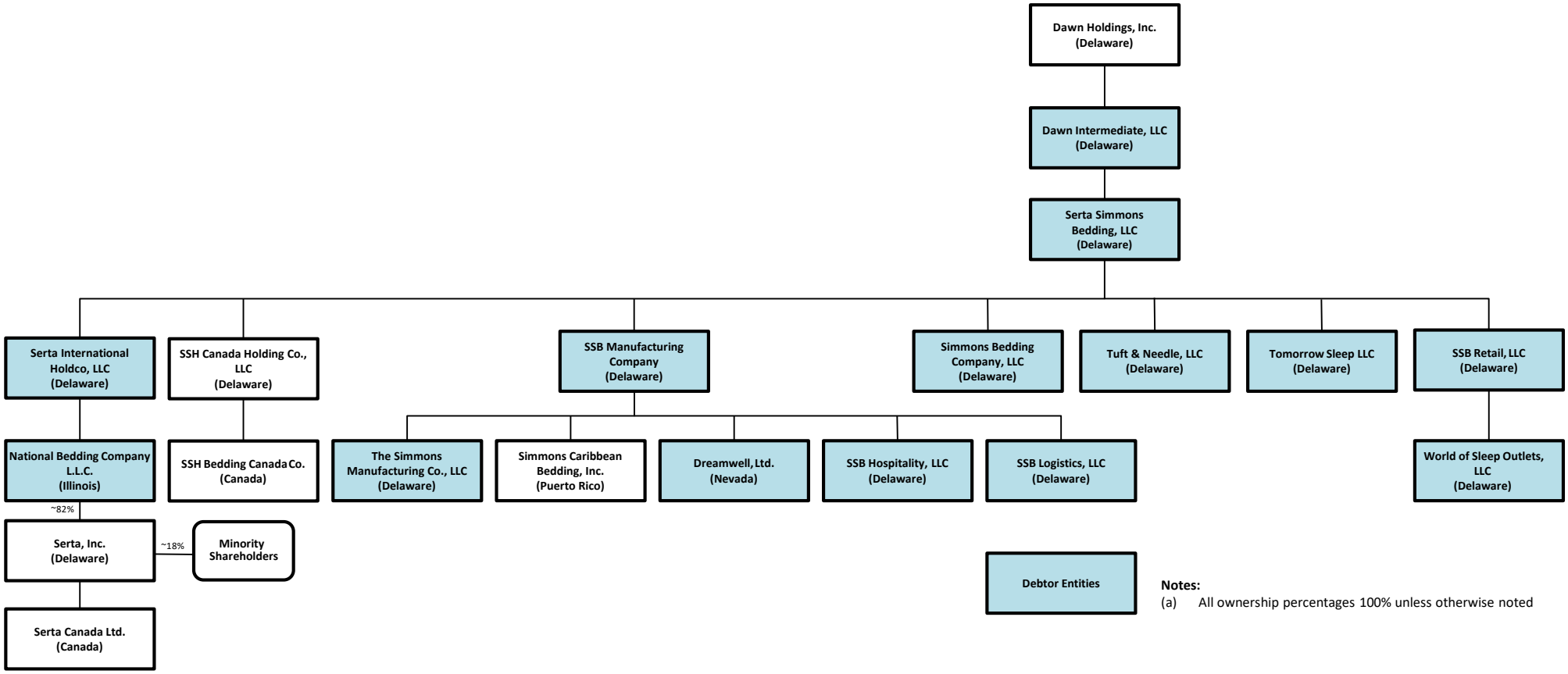
Other Terms	• The New Term Loan Credit Facility Agreement shall be based on the same precedent as the Exit ABL Credit Agreement and provide for other affirmative and negative covenants, representations, warranties, mandatory prepayments, events of default and other terms that shall be based on the corresponding provisions set forth in the Prepetition ABL Facility , but to include changes to reflect a term loan facility rather than an ABL facility, baskets and exceptions and other modifications, acceptable to the Requisite Consenting Creditors and Company, including (without limitation): ○ Limitations on incurrence of indebtedness and liens, restricted payments, investments, asset sales, restrictive agreements, fundamental changes and affiliate transactions; ○ Affirmative covenant to use commercially reasonable efforts to maintain public corporate credit rating and public corporate family rating; and ○ Elevated voting thresholds for subordination of the New Term Loan in right of payment or lien priority, J. Crew protection and Chewy protection.

Exhibit B

Organizational Chart

Serta Simmons Bedding

Organizational Chart



Notes:

(a) All ownership percentages 100% unless otherwise noted