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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:))	Chapter 11
HOLLANDER SLEEP PRODUCTS, LLC, <i>et al.</i> , ¹))	Case No. 19-11608 (___)
Debtors.))	(Joint Administration Requested)

**DECLARATION OF MARC PFEFFERLE,
CHIEF EXECUTIVE OFFICER OF HOLLANDER SLEEP PRODUCTS, LLC,
IN SUPPORT OF DEBTORS' CHAPTER 11 PETITIONS AND FIRST DAY MOTIONS**

I, Marc Pfefferle, Chief Executive Officer of the above-captioned debtors and debtors in possession (collectively, "Hollander," the "Company," or the "Debtors"), hereby declare under penalty of perjury:

1. I am a Partner at Carl Marks Advisors. Carl Marks was retained by Hollander on March 28, 2019, and I was appointed CEO on the same day. I have been with Carl Marks since 1992. Before joining Carl Marks, I was a Partner with Marigold Associates, a strategic management consulting firm serving Fortune 100 companies, and before that I worked for

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Dream II Holdings, LLC (7915); Hollander Home Fashions Holdings, LLC (2063); Hollander Sleep Products, LLC (2143); Pacific Coast Feather, LLC (1445); Hollander Sleep Products Kentucky, LLC (4119); Pacific Coast Feather Cushion, LLC (3119); and Hollander Sleep Products Canada Limited (3477). The location of the Debtors' service address is: 901 Yamato Road, Suite 250, Boca Raton, Florida 33431.

Price Waterhouse LLP. I have over thirty years of experience providing restructuring and reorganization services for companies, creditors, and other stakeholders across a variety of industries, including consumer products, retail, manufacturing, and distribution related businesses.

2. I am familiar with the Debtors' day-to-day operations, business and financial affairs, and books and records. I submit this declaration in support of the Debtors' chapter 11 petitions and certain motions and applications filed today. Following a brief introduction, this declaration is separated into four parts, answering three key questions and providing the evidentiary support for the Debtors' first day relief: **Part I** "Who is Hollander?"; **Part II** "How did we get here?"; **Part III** "Where do we go from here?"; and **Part IV** evidentiary support for each of the motions and pleadings filed contemporaneously herewith.²

3. Except as otherwise indicated, all facts in this declaration are based upon my personal knowledge, my discussions with the Debtors' management team and advisors (including the Carl Marks team working under my supervision), my review of relevant documents and information concerning the Debtors' operations, financial affairs, and restructuring initiatives, or my opinions based upon my experience and knowledge. I am over the age of 18 and authorized to submit this declaration on behalf of the Debtors. If called upon to testify, I could and would testify competently to the facts set forth in this declaration.

Introduction³

4. Hollander—an industry leader in the bedding products market—manufactures, among other bedding products, pillows, comforters, and mattress pads. Hollander produces these

² The exhibits attached hereto set out certain additional information about the Debtors, including the information required by rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules").

³ Terms capitalized but not defined herein shall have the meanings ascribed to them in the *Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense*

items for well-known licensed brands, including Ralph Lauren®, Simmons®, Beautyrest®, Nautica®, and Calvin Klein®. Hollander also owns and manufactures bedding products under its own proprietary brands, including Great Sleep®, I AM®, LC®, PCF®, and Restful Nights®. Hollander, in turn, partners with major retailers and hotel chains, including long-standing relationships with, among others, Costco, Kohl's, Walmart, Target, and Marriott.

5. Recent substantial price increases on materials have significantly reduced Hollander's profit margins for many products, which are generally sold on low profit margins to begin with. The Company has also been integrating the operations of Pacific Coast Feather Company ("PCF"), which was acquired in 2017. This has necessitated the expenditure of additional capital, notwithstanding that the acquisition itself has otherwise been a net positive for operations. And with \$233 million of outstanding indebtedness and limited access to credit, the Company is facing severe liquidity constraints. In fact, the Debtors have only \$523,000 in cash on hand.

6. These circumstances necessitated the commencement of comprehensive restructuring negotiations with the Company's stakeholders (and ultimately these chapter 11 cases) to ensure access to capital and the preservation of business operations for years to come. These discussions were successful.

7. The Company has reached agreement with its secured lenders and Sentinel Capital Partners, LLC, a lender and majority equityholder, on a comprehensive restructuring process that will ensure the viability of the business.⁴ More specifically, the Company, 100% of the secured

Status, (D) Granting Adequate Protection to the Prepetition Secured Parties, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granted Related Relief, filed contemporaneously herewith.

⁴ As discussed more fully below, in addition to being the Company's primary equityholder, Sentinel is required to purchase participation interests in a last-out loan subject to the terms and conditions of the Put Agreement (as defined herein).

term loan lenders, and Sentinel entered into a restructuring support agreement, dated as of May 19, 2019 (the “RSA”), a copy of which is attached hereto as Exhibit A. The RSA contemplates, and the Debtors have filed, a comprehensive chapter 11 plan (the “Plan”).

8. Hollander’s asset-based secured lenders have agreed to provide a \$90 million debtor-in-possession asset-based loan facility and certain term loan lenders are providing an additional \$28 million term loan facility to fund these chapter 11 cases. Hollander has also secured an agreement to have the debtor-in-possession term loan facility convert into a \$58 million exit term loan facility upon emergence, which provides an additional \$30 million in incremental liquidity to fund go-forward operations. Sentinel has agreed to support the Plan, including rolling its participation interests in the prepetition asset-based financing facility and converting its loans, in a last-out position, in any proposed exit asset-based financing facility. The new money term loan exit financing is committed, thus ensuring that the Company is able to finance its emergence from chapter 11 without the need to raise additional financing. The agreed-upon restructuring transactions provide a clear path to emergence and result in a substantial deleveraging of approximately \$166.5 million.

9. The Plan also includes a sale “toggle” feature, allowing for a potential sale to a third party supported by the secured lenders and accomplished through the Plan. Thus, in all circumstances, and as contemplated in the RSA, the term loan lenders have agreed to support confirmation of the Plan. The Company has filed a motion to establish bidding procedures associated with any potential sale transaction to be implemented through the Plan.

10. To ensure the least disruption to operations and minimize the cost of these cases, Hollander and its stakeholders have agreed upon an expedited timeline to effectuate this comprehensive restructuring. The proposed timeline is as follows, subject to Court availability:

Deadline	Proposed Date
Deadline to file Disclosure Statement	June 12, 2019
Preliminary Bid Deadline	July 1, 2019
Disclosure Statement Hearing	July 17, 2019, or as soon thereafter as the Debtors may be heard.
Bid Deadline	July 26, 2019
Auction	August 1, 2019
Plan and Sale Objection and Plan Voting Deadlines	August 19, 2019
Confirmation Hearing	August 26, 2019, or as soon thereafter as the Debtors may be heard.

These deadlines were heavily negotiated, and I am confident that the Debtors will be able to move forward and achieve their goals in these cases.

Part I.
Who Is Hollander?

I. Hollander’s Corporate History.

11. In 1953, Bernard Hollander started selling pillows door-to-door, operating out of his garage under the name Hollander Home Fashions. Shortly thereafter, Hollander purchased a vacant manufacturing plant to expand its operations. A second generation of Hollanders later opened additional



factories in Chicago and Los Angeles. Over the next several decades, the Company experienced significant growth, both organically and through the acquisition of competitors. This included licensing arrangements for several well-known brands, including Ralph Lauren®, and the acquisition of Louisville Bedding Company (“LBC”) in May 2013 and PCF in June 2017. The Company also developed its own brands, including Live Comfortably® and its associated sub-brands.

12. The Hollander family sold the business to HGGC, LLC in 2009. In October 2014, Sentinel purchased the Company from HGGC, LLC, and has been the Company's controlling equityholder ever since. Today, the Company is headquartered in Boca Raton, Florida, operates a primary show room in New York City, and has thirteen manufacturing facilities throughout the United States and Canada. In addition to its North American operations, the Debtors' non-debtor affiliates maintain a sourcing, product development, and quality control office in China. The Company generated approximately \$526.9 million in net revenue in fiscal year 2018 and currently employs more than 2,300 people across the United States and Canada. The Company has approximately \$233 million in funded debt.

A. Business Segments.

13. Hollander designs, manufactures, markets, and distributes a variety of basic bedding products, including pillows, mattress pads, comforters, and foam. Over the last few years, Hollander has expanded into additional segments of the sleep market, such as the natural-fill, hospitality, and cushion segments, and has extended its reach into the segments in which it has always operated, both through strategic acquisitions of competitors and through brand and product development.

14. Hollander maintains seven entities operating two primary business segments: the top-of-bed segment and the cushion (or furniture) segment. Approximately 95% of the Debtors' sales come from wholesale distribution, including to department stores, mass merchants and clubs, off-price retailers, specialty retailers, and hospitality customers. Approximately 5% of the Debtors' sales are from online sales. Recently, the Debtors have been working to increase their direct-to-consumer sales through e-commerce connections with their own websites, established retailers, and online marketers.

i. The Top-of-Bed Segment.

15. Before the PCF acquisition, Hollander’s products were segmented into four primary categories, all of which fall within the “top of bed” segment of the overall basic bedding market: (a) bed pillows, (b) mattress pads and toppers, (c) comforters, and (d) foam.



16. **Bed Pillows.** Hollander is the largest bed pillow manufacturer in the world, producing over 75 million pillows annually. The Company maintains an estimated 35% share of the \$1 billion bed pillow market.⁵ Historically, the bed pillow segment has been the most profitable and predictable segment within the basic bedding category, and bed pillows represent Hollander’s largest product category.

17. The Company sells bed pillows across its brand portfolio, including proprietary brands, licensed brands, and retail partner brands. Selling a variety of brands of bed pillows has allowed the Company to effectively address the entire market: mass/club (51% of the Company’s sales), department store (8%), specialty (13%), and discount (15%) sales channels at leading

⁵ All references to a “market” refer to the brick-and-mortar wholesale channel and do not include online retailers.

retailers such as Walmart, Costco, Bed Bath & Beyond, Kohl's, Target, Bloomingdale's, and Macy's. In recent years, the Company has also worked on developing its hospitality business (8% of sales) and its online sales (5%). The Company primarily sells synthetic pillows, but also sells natural pillows. Generally, raw materials are shipped from suppliers—including foreign suppliers in China, India, Pakistan, Indonesia, and South Korea—to the Company's manufacturing facilities in North America, where they are filled and sewed.

18. ***Mattress Pads/Toppers.*** The Company's acquisition of LBC allowed it to become a more significant provider of mattress pads. The Company maintains an estimated 15% share of the \$400 million mattress pad market. The Company offers synthetic mattress pads under a variety of brands, in various design options, to reach the entire market. While some labor-intensive mattress pads are sourced retail-ready from China, the Company generally sources raw materials from its Asian vendors and processes, manufactures, and sews the majority of mattress pads in its Montreal, Canada and Munfordville, Kentucky facilities. Similarly, mattress toppers, containing feathers, down, and synthetic fibers, are filled and sewed in North America from foreign-sourced materials.

19. ***Comforters.*** The Company also has a significant share of the comforter market, maintaining an estimated 10% share of the \$450 million comforter market. Comforters are a natural product extension in the basic bedding market and are sold to the same customer base as pillows and mattress toppers. The Company sources and/or produces both down-alternative comforters and down comforters, which are sold primarily through major retailers and department stores.

20. ***Foam.*** The Company's acquisition of LBC paved its entry into the billion-dollar foam market. Foam products are a natural product extension in the basic bedding market and are sold to the same customer base as bed pillows and mattress pads, furthering the Company's goal

of being a one-stop-shop for sleep solutions. Foam products are made in the United States, Canada, and Asia with foam sourced from several providers around the globe, and are sold primarily through mass/club, department, specialty, and discount sales channels at leading retailers.

ii. The Cushion Segment.

21. The 2017 PCF acquisition strengthened the Company's position in the bed pillow, comforter, and mattress pad sub-segments and allowed the Company to enter the cushion and furniture segment. Today, the Company is the largest provider of natural-fill cushions in the United States with an estimated 33–35% market share.

22. Unlike the rest of Hollander's business, the cushion business is a manufacturer-to-manufacturer business and does not focus on bed dressings or accessories. The Company's cushion segment is a stable and profitable standalone business, but it does rely upon Hollander for accounting, human resources, IT, and other support services. Products are manufactured in dedicated plants in Pico, California and High Point, North Carolina. Finished products are sold directly to furniture producers for use as component parts in chairs, couches, and similar products. While the end products produced in the cushion segment are not closely related to the Company's other products, the fill material required to produce cushions is substantially the same as the fill material required to produce top-of-bed products. The cushion segment has been, and remains, one of the Company's most reliable profit contributors.

B. Canadian Proceedings.

23. Debtor Hollander Sleep Products Canada Limited ("Hollander Canada") will commence proceedings (the "Canadian Proceedings") under the Companies' Creditors Arrangement Act (the "CCAA") in Canada. Hollander Canada will request that the Canadian Court treat Hollander Canada's chapter 11 case as a "foreign main proceeding" under the applicable provisions of the CCAA—similar to the chapter 15 process under the Bankruptcy Code.

To commence the Canadian Proceedings, Hollander Canada has filed a motion with the Court requesting authority for Hollander Sleep Products, LLC to act as Hollander Canada's "foreign representative," as required under the CCAA. Hollander Canada will file a similar corresponding motion in the Canadian Proceedings shortly after the hearing on the First Day Motions (as defined herein). The Canadian Proceedings will be ancillary in nature to these chapter 11 cases, which will be the focus of the Debtors' restructuring efforts.

C. The Debtors' Non-Debtor Affiliates.

24. The Debtors have two affiliates in China that are not part of these chapter 11 cases. These non-debtor entities provide manufacturing product support services and quality control operations for the Debtors. The non-debtor affiliates are not liable for any of the Debtors' outstanding funded debt obligations.

II. The Debtors' Cost Structure.

A. Design.

25. Basic bedding products do not experience rapid change or technological advancements, but industry players compete to innovate and provide improved products, such as cooling treatments, eco-friendly products, and high-performance foam. Investments in product development attract new customers and provide for increased profit margins over time. Hollander has a strong industry track record for delivering new technologies and enhanced products.

26. Hollander utilizes a development team with diverse backgrounds in industries such as home products, apparel, and packaging who in turn work with graphic designers, sales and marketing professionals, and senior management to ensure they are capturing customer needs, product specifications, and appropriate costs in developing new products. There are three different development processes the Company uses to develop new products and enhancements: (a) developing products based on specifications provided by retailers; (b) evaluating trends in the

industry and attempting to develop innovative products to match them; and (c) working with suppliers to commercialize supplier-pitched innovations into viable products.

27. On average, it takes at least six months from the generation of an idea to begin shipping a product to customers. After innovations have been rolled out, the Company's development team continues the dialogue with the relevant parties to obtain feedback and potentially begin developing new products. Recent innovations include (a) asthma-sensitive natural-fill bedding products, (b) memory foam substitutes with increased flexibility and comfort (without the excess heat and odors associated with memory foam), (c) a patent pending comforter for hotels, which will ease housekeeping, and (d) cooling and air-flow technology to help with the heat trapping in certain bedding materials.

28. Costs attributed to the design function are primarily labor related. In 2018, the Debtors' design function generated annual costs of approximately \$3.7 million.

B. Production and Shipping.

29. The Debtors' production and shipping process is geographically dispersed around the world. The Company works with a network of suppliers and purchases materials including polyester fibers, fabrics, pillow and comforter shells, and certain retail-ready products. A significant portion of these products are purchased from China, Pakistan, and India, as well as Indonesia, South Korea, Vietnam, Malaysia, and the United Arab Emirates. The Company consistently monitors and works to develop new sourcing opportunities to maximize quality and minimize purchase costs. The Company maintains a Shanghai office to manage overseas production, quality, and inspection, and to establish and maintain supplier relationships, and employs two individuals in Mumbai to assist with similar tasks in India and Pakistan.

30. The Company has the industry's largest manufacturing and distribution footprint in North America. Filling, final sewing, packaging, and shipping of finished goods is performed at

the Company's thirteen North American factories, which are strategically placed across the United States, with locations in Pennsylvania, Kentucky (two), North Carolina (two), Iowa, Georgia, Texas, and California (three), and Canada, with locations in Montreal and Toronto. This manufacturing and distribution network provides the Company with significant flexibility in processing and shipping orders, and shipments can reach almost anywhere in the United States and eastern Canada within a 24-hour period, which is important for high-volume retailers that rely on the Company's prompt shipping. In 2018, the Debtors' plants generated annual costs, excluding materials, of approximately \$130 million.

C. Advertising and Marketing.



31. The Company's advertising and marketing team arranges for a multi-faceted marketing plan that works to promote the Company's products and brands through "pull" marketing—which focuses on establishing multiple touch points directly with consumers through the Company's website and social media accounts on Facebook, Twitter, and Instagram—and trade advertising. The Company utilizes innovative packaging and end-cap placement in retail stores, participates in trade shows, and promotes its products in related publications.

D. Sales.

32. The Company has established a sales and marketing strategy centered on a customer-by-customer approach, rather than emphasizing products by category.

Additionally, various departments within the Company collaborate to support the sales department's efforts, including the forecasting department, the merchandising department, and the production department. The goal is for the Company to present each one of its customers with a comprehensive proposal to address all of its sleep solution needs.

33. The sales department includes two different groups of employees: its internal sales force and its customer support service team.

34. ***Internal Sales Force.*** The Company has developed an internal sales force, which, in turn, has developed strong, longstanding relationships throughout the industry. These relationships with key mass/club, department store, specialty, and discount retailers, and with hospitality distributors, have been built to such a point that the sales force serves as a consultant or category advisor to certain customers in addition to serving as a supplier. The sales force also has the responsibility of working internally with each department in the Company (merchandising, marketing, finance, forecasting, supply chain, quality, and manufacturing), to ensure customers' expectations are exceeded.

35. ***Customer Support Service Team.*** Sales representatives double as customer liaisons, working with others within the Company to gather materials to present retail customers with consumer research, competitive products analysis, and product education. This includes not only macro-level trends but also a micro-level analysis based on real-time, item-level data regarding the sales, costs, and margins of various products, as well as "what if" analyses of possible scenarios. The Company's sales team also provides in-store merchandising support and customer support programs, such as promotional coupons, back-to-school promotions, Black Friday promotions, and other periodic special promotions. The sales team also assists with retail "sleep schools," where a sales representative teaches the retail staff about the Company's products, facilitating effective sales to consumers.

E. The Debtors' Employees.

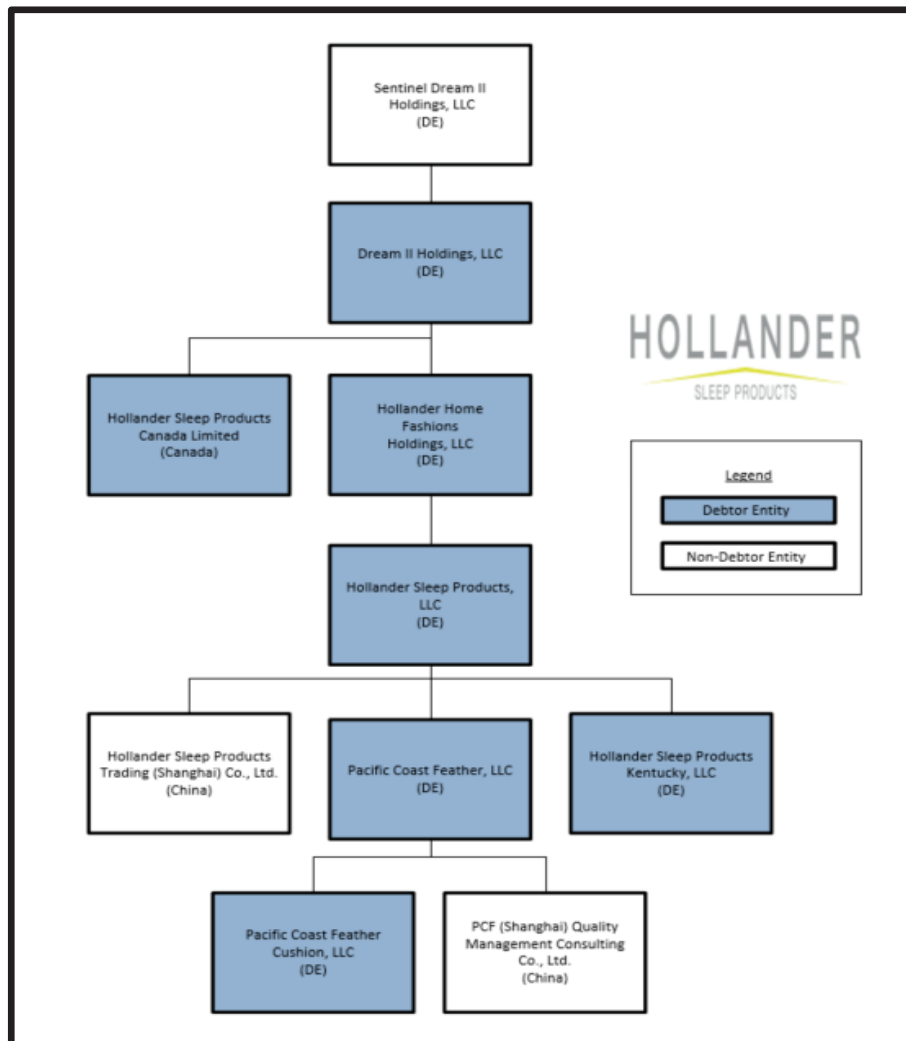
36. The Debtors employ approximately 2,370 people in the United States and Canada. Five hundred and eleven of the Debtors' employees in the United States are employed pursuant to the terms of a collective bargaining agreement.

F. Real Estate Obligations.

37. The Company owns one warehouse in Henderson, North Carolina and leases the remainder of its plants, warehouses, show rooms, and office spaces. The Debtors are reviewing and evaluating their real estate portfolio as part of these chapter 11 cases.

III. The Debtors' Prepetition Corporate and Capital Structure.

38. The below chart depicts the Debtors' current corporate structure:



39. Each Debtor is a direct or indirectly wholly-owned subsidiary of Debtor Dream II Holdings, LLC. The Company's two Chinese entities, Hollander Sleep Products Trading (Shanghai) Co., Ltd. and PCF (Shanghai) Quality Management Consulting Co., Ltd., will not be commencing chapter 11 cases.

40. The Debtors' capital structure consists of outstanding funded-debt obligations in the aggregate principal amount of approximately \$233 million, including a \$125 million senior secured revolving credit facility (the "ABL Facility") and a \$190 million secured term loan facility (the "Term Loan Facility"). Each Debtor is an obligor (either as a borrower or guarantor) under the ABL Facility and each Debtor, except for Hollander Canada, is an obligor (either as a borrower or a guarantor) under the Term Loan Facility.

A. Prepetition ABL Facility.

41. The ABL Facility provides for cash dominion when the excess availability under the ABL Facility is less than either (a) 12.5% of the maximum credit available under the ABL Facility or (b) \$12.5 million for three consecutive business days, at which point the ABL Agent can exercise certain controls over the Debtors' bank accounts. The Debtors have triggered cash dominion, and the ABL Agent currently sweeps the Debtors' accounts that are subject to control agreements daily. Substantially all of the Debtors' cash is subject to control agreements in favor of the ABL Agent. The amount outstanding under the ABL Facility is subject to fluctuations based on daily cash sweeps. The Debtors estimate that approximately \$61 million in principal will be outstanding as of the date hereof, not including approximately \$5 million in letters of credit (the "Prepetition ABL Obligations").

42. These Prepetition ABL Obligations are secured by a first lien on certain ABL-priority collateral of the Debtors, including certain accounts and inventory, Canadian assets, and a second lien on certain collateral on which the prepetition Term Loan Lenders have a first lien.

The relative rights and priorities among the ABL Lenders and Term Loan Lenders are governed by an intercreditor agreement.

B. Prepetition Put Agreement.

43. In November 2018, the Debtors entered into forbearances and an amendment to their ABL Credit Agreement and Term Loan Credit Agreement. In connection with these amendments, Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P. (collectively, together with their permitted successors and assigns, the “Purchasers”) entered into a Put Agreement, dated as of November 27, 2018 (the “Put Agreement”), in favor of the ABL Agent and SunTrust Bank, an ABL Lender. Subject to the terms and conditions set forth in the Put Agreement, upon the occurrence of certain events of default under the ABL Credit Agreement, the ABL Agent may cause the Purchasers to execute an agreement to purchase a participation interest in a subordinated last-out loan (the “Last-Out Loan”).

44. If the Purchasers fail to purchase their participation interest in the Last-Out Loan in accordance with the Put Agreement, the ABL Agent is permitted to draw from certain standby letters of credit that were posted by the Purchasers. The Purchasers share priority with the ABL Lenders with regard to the Debtors’ collateral but have agreed to subordinate their right to payment to the ABL Lenders until the Prepetition ABL Obligations are paid in full.

C. Prepetition Term Loan Facility.

45. As of the date hereof, approximately \$166.5 million in aggregate principal amount remains outstanding under the Term Loan Facility. The Term Loan Facility is secured by a first lien on certain collateral of the Debtors, except for Hollander Canada, and a second lien on certain collateral on which the ABL Lenders have a first lien. Hollander Canada’s assets are not

encumbered by the Term Loan Facility; however, the Term Loan Facility is secured by a pledge of 65% of Dream II Holdings, LLC's equity interest in Hollander Canada.

D. Equity Interests.

46. Debtor Dream II Holdings, LLC owns directly or indirectly 100% of the residual interests in each of the Debtors. Investment funds managed by Sentinel directly or indirectly hold the majority of the outstanding membership interests in Dream II Holdings, LLC.

Part II.
How Did We Get Here?

I. Factors Causing the Debtors' Performance Decline.

47. Material and other significant cost increases combined with continued integration overhang following the PCF acquisition have caused severe liquidity constraints. And considering the relentless competition in the overall marketplace, Hollander has been operating on its heels for the last several months.

48. More specifically, shortly after the PCF acquisition, the price of materials, including fiber, down, and feathers, increased dramatically. The financial impact of these unanticipated price increases was in excess of \$20 million over the course of approximately one year. At the same time, employee wages increased (as a result of natural wage inflation and the tight job market), as did the cost of freight, duty, and tariff charges. The Company, which relies on a substantial amount of low-margin sales to keep its sales volume at projected levels, was hesitant or otherwise unable to increase prices in response to these increased production costs. Recently, material prices, particularly in fiber, have showed some downward trends, and the Company is focused on right-sizing production and operational costs moving forward to reestablish cost parity with its key competitors.

49. Fortunately, the sleep industry as a whole is both healthy and growing. Market trends favor healthy lifestyle sectors, and the basic bedding segment is generally recession

resilient. Moreover, management has evaluated the Company's position and identified steps the Company can take to get back on track, including selective price increases and material efficiencies, continued diligence in cost-effective sourcing, investing in capital and technological advancements, streamlining the Company's manufacturing footprint, and building the Company's e-commerce business.

50. These chapter 11 cases provide the Company with the opportunity to right-size operations and invest in equipment and processes that will allow it to utilize raw material more efficiently, lower its production costs in the long term, and re-establish parity with its competitors. Additionally, the infusion of capital proposed as part of these chapter 11 cases will facilitate the completion of the PCF integration process and best position Hollander to realize returns on the PCF acquisition.

II. Governance.

51. In April and May 2019, respectively, Matthew R. Kahn was appointed as a disinterested director to the Board of Directors of Dream II Holdings, LLC and Hollander Canada, and subsequently granted exclusive authority over conflicts matters. Mr. Kahn has extensive experience serving on boards of managers and boards of directors in distressed situations. Mr. Kahn subsequently directed the Company to retain Proskauer Rose LLP as independent counsel acting at his direction to assist in the discharge of his duties.

Part III. **Where Do We Go From Here?**

I. Restructuring Negotiations and Path Forward.

52. Beginning in November 2018, the Debtors engaged with the ABL Lenders and Term Loan Lenders, resulting in forbearances, amendments to the Debtors' credit agreements, and the Put Agreement. Over the following months, the Debtors recognized that a more comprehensive solution was required.

53. In February 2019, the Debtors initiated discussions with their ABL Lenders and Term Loan Lenders regarding potential balance sheet solutions to their liquidity problems. These discussions preceded the deadline for a March interest payment under the Term Loan Agreement. After exploring out-of-court possibilities, it became apparent that a significant deleveraging would be necessary. In February 2019, the Debtors retained Kirkland & Ellis LLP to advise on their restructuring alternatives; in late March the Debtors retained Carl Marks to provide management services; and in May, the Debtors retained Houlihan Lokey Capital, Inc. (“Houlihan”) as their financial advisor and investment banker.

54. Following significant back and forth, on May 19, 2019, the Debtors entered into the RSA with holders of over 100% in principal amount of loans under the Term Loan Facility and Sentinel. The RSA provides a commitment from the Debtors’ largest creditor constituency to support a substantial deleveraging of the Debtors’ approximately \$233 million funded debt capital structure. The RSA ensures that a chapter 11 plan will be confirmed in all circumstances and, most importantly, a viable business will continue to operate uninterrupted. To that end, securing committed exit financing was critical from the Company’s perspective, and Hollander was successful.

55. Houlihan also commenced a marketing process relating to the Debtors’ assets and will continue to actively solicit the market for potential financial and strategic buyers now that these cases have formally commenced. Any such sale would be implemented through the Plan. The Debtors will be willing to enter into a sale or a combination of sales if the Debtors believe, in their business judgment, that such transactions are higher or otherwise better than the proposed transaction embodied in the RSA and the Plan. Importantly, the parties to the RSA are active supporters of this market test process.

II. The Debtors' Need for Liquidity and the Proposed DIP Financing.

56. The Debtors have thus far largely been able to maintain the shipment and distribution of products (and thus the continued trust of their customers) notwithstanding their liquidity challenges, but the Debtors project they will run out of money as early as next week without an immediate infusion of post-petition financing and access to cash collateral, leaving the Debtors unable to pay wages for their employees or the invoices of vendors critical to business operations. Further, access to ample post-petition financing is necessary to send a strong market signal that these chapter 11 cases are well-funded. Accordingly, access to committed financing at the outset of these chapter 11 cases is necessary not only to operate, but also to quell uncertainty throughout the Debtors' supply chain that the Debtors will have the liquidity necessary to preserve and maximize the value of their estates and successfully emerge from chapter 11.

Part IV. First Day Motions

57. The Debtors have filed the following motions (collectively, the "First Day Motions") seeking relief that the Debtors believe is necessary to enable them to efficiently administer their estates with minimal disruption and loss of value during the chapter 11 cases:

- *Debtors' Motion for Entry of an Order (A) Directing Joint Administration of Chapter 11 Cases and (B) Granting Related Relief;*
- *Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Obtain Postpetition Financing, (B) Authorizing the Debtors to Use Cash Collateral, (C) Granting Liens and Providing Superpriority Administrative Expense Status, (D) Granting Adequate Protection to the Prepetition Lenders, (E) Modifying the Automatic Stay, (F) Scheduling a Final Hearing, and (G) Granting Related Relief;*
- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, and (II) Granting Related Relief;*

- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Pay Prepetition Wages, Salaries, Other Compensation, and Reimbursable Expenses and (B) Continue Employee Benefits Programs, and (II) Granting Related Relief;*
- *Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Debtors to Maintain and Administer Their Existing Customer Programs and Honor Certain Prepetition Obligations Related Thereto and (B) Granting Related Relief;*
- *Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Pay Prepetition Claims of (A) Lien Claimants, (B) Import Claimant, (C) 503(b)(9) Claimants, (D) Foreign Vendors, and (E) Critical Vendors, (II) Confirming Administrative Expense Priority of Outstanding Orders, and (III) Granting Related Relief;*
- *Debtors' Motion for Entry of and Order (I) Authorizing the Debtors to (A) Continue Insurance Coverage Entered into Prepetition and Satisfy Prepetition Obligations Related Thereto, (B) Renew, Supplement, Modify, or Purchase Insurance Coverage, and (C) Continue to Pay Brokerage Fees, and (II) Granting Related Relief;*
- *Debtors' Motion for Entry of and Order (A) Authorizing the Debtors to Continue and Renew Their Surety Bond Program and (B) Granting Related Relief;*
- *Debtors' Motion for Entry of Interim and Final Orders (A) Authorizing the Payment of Certain Prepetition Taxes and Fees and (B) Granting Related Relief;*
- *Debtors' Motion for Entry of an Order (I) Authorizing the Debtors to (A) Prepare a List of Creditors in Lieu of Submitting a Formatted Mailing Matrix and (B) File a Consolidated List of the Debtors' 50 Largest Unsecured Creditors, (II) Authorizing the Debtors to Redact Certain Personal Identification Information for Individual Creditors, (III) Approving the Form and Manner of Notifying Creditors of Commencement of These Chapter 11 Cases, and (IV) Granting Related Relief;*
- *Debtors' Motion for Entry of an Order (A) Extending Time to File Schedules of Assets and Liabilities, Schedules of Current Income and Expenditures, Schedules of Executory Contracts and Unexpired Leases, Statements of Financial Affairs, and Rule 2015.3 Financial Reports, and (B) Granting Related Relief; and*
- *Debtors Motion for Entry of an Order (A) Authorizing Hollander Sleep Products, LLC to Act as Foreign Representative and (B) Granting Related Relief.*

58. I believe that the relief requested in the motions is necessary to give the Debtors an opportunity to work toward successful chapter 11 cases that will benefit all of the Debtors' stakeholders.

59. Several of these motions request authority to pay certain prepetition claims. I understand that Rule 6003 of the Federal Rules of Bankruptcy Procedure provides, in relevant part, that the Court shall not consider motions to pay prepetition claims during the first 20 days following the filing of a chapter 11 petition, “except to the extent relief is necessary to avoid immediate an irreparable harm.” In light of this requirement, the Debtors have narrowly tailored their requests for immediate authority to pay certain prepetition claims to those circumstances where the failure to pay such claims would cause immediate and irreparable harm to the Debtors and their estates. Other relief will be deferred for consideration at a later hearing.

60. I am familiar with the content and substance of the First Day Motions, and the factual background of each is incorporated herein by reference. In my opinion, approval of the relief sought in each of the motions is critical to successfully implementing the Debtors’ chapter 11 strategy efficiently and with minimal disruption to their business operations, thereby permitting the Debtors to preserve and maximize value for the benefit of all stakeholders.

61. If asked to testify as to the facts supporting each of the First Day Motions, I would testify to the facts as set forth in such motions.

* * * * *

III. Information Required by Local Rule 1007-2.

62. Local Rule 1007-2 requires certain information related to the Debtors, which I have provided in the exhibits attached hereto as **Exhibit B** through **Exhibit M**. Specifically, these exhibits contain the following information with respect to the Debtors (on a consolidated basis, unless otherwise noted):⁶

⁶ The information contained in **Exhibit B** through **Exhibit M** attached to this declaration does not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim listed herein is a disputed claim or debt and to challenge the priority, nature, amount, or status of any such claim or debt.

- **Exhibit B.** Pursuant to Local Rule 1007-2(a)(3), provides the names and addresses of the members of, and attorneys for, any committee organized prior to the order for relief in these chapter 11 cases, and a brief description of the circumstances surrounding the formation of the committee and the date of the formation.
- **Exhibit C.** Pursuant to Local Rule 1007-2(a)(4), provides the following information with respect to each of the holders of the Debtors' fifty largest unsecured claims, excluding claims of insiders: the creditors name; the address (including the number, street, apartment, or suite number, and zip code, if not included in the post office address); the telephone number; the name(s) of the person(s) familiar with the Debtors' account; the nature and approximate amount of the claim; and an indication of whether the claim is contingent, unliquidated, disputed, or partially secured.
- **Exhibit D.** Pursuant to Local Rule 1007-2(a)(5), provides the following information with respect to each of the holders of the five largest secured claims against the Debtors: the creditor's name; address (including the number, street, apartment, or suite number, and zip code, if not included in the post office address); the amount of the claim; a brief description of the claim; an estimate of the value of the collateral securing the claim; and an indication of whether the claim or lien is disputed at this time.
- **Exhibit E.** Pursuant to Local Rule 1007-2(a)(6), provides a summary of the Debtors' assets and liabilities.
- **Exhibit F.** Pursuant to Local Rule 1007-2(a)(7), provides a summary of the publicly held securities of the Debtors.
- **Exhibit G.** Pursuant to Local Rule 1007-2(a)(8), provides the following information with respect to any property in possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, or secured creditors, or agent for such entity: the name; address; and telephone number of such entity and the court in which any proceeding relating thereto is pending.
- **Exhibit H.** Pursuant to Local Rule 1007-2(a)(9), provides a list of property comprising the premises owned, leased, or held under other arrangement from which the Debtors operate their business.
- **Exhibit I.** Pursuant to Local Rule 1007-2(a)(10), sets forth the location of the Debtors' substantial assets, the location of their books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the U.S.

- **Exhibit J.** Pursuant to Local Rule 1007-2(a)(11), provides a list of the nature and present status of each action or proceeding, pending or threatened, against the Debtors or their property where a judgment or seizure of their property may be imminent.
- **Exhibit K.** Pursuant to Local Rule 1007-2(a)(12), sets forth a list of the names of the individuals who comprise the Debtors' existing senior management, their tenure with the Debtors, and a brief summary of their relevant responsibilities and experience.
- **Exhibit L.** Pursuant to Local Rule 1007-2(b)(1)–(2)(A), provides the estimated amount of payroll to the Debtors' employees (not including officers, directors, and equityholders) and the estimated amounts to be paid to officers, equityholders, directors, and financial and business consultants retained by the Debtors, for the 30-day period following the Petition Date.
- **Exhibit M.** Pursuant to Local Rule 1007-2(b)(3), provides a schedule, for the 30-day period following the Petition Date, of estimated cash receipts and disbursements, net gain or loss, obligations and receivables expected to accrue but remain unpaid, other than professional fees, for the 30-day period following the filing of the chapter 11 cases, and any other information relevant to an understanding of the foregoing.

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

Dated: May 19, 2019
New York, New York



Name: Marc Pfefferle
Title: Chief Executive Officer
Hollander Sleep Products, LLC

EXHIBIT A

Restructuring Support Agreement

RESTRUCTURING SUPPORT AGREEMENT

This RESTRUCTURING SUPPORT AGREEMENT (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, and including the exhibits hereto, this “Agreement”), dated as of May 19, 2019, is entered into by and among the following parties (each, a “Party” and, collectively, the “Parties”):

- i. Dream II Holdings, LLC together with certain of its direct and indirect subsidiaries (collectively, the “Company”);
- ii. the undersigned holders of claims (and together with their respective successors and permitted assigns, the “Consenting Term Loan Lenders”) under the Term Loan Credit Agreement (as defined herein); and
- iii. Sentinel Capital Partners, LLC, on behalf of itself and each of its affiliated investment funds or investment vehicles managed or advised by it, and its affiliates that directly or indirectly hold interests in the Company (collectively, the “Sponsor”).

RECITALS

WHEREAS, the Parties have engaged in good faith, arm’s-length negotiations regarding certain restructuring transactions (the “Restructuring Transactions”) pursuant to the terms and conditions set forth in this Agreement and the *Debtors’ Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code* attached hereto as **Exhibit A** (including all exhibits thereto, and as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with its terms, the “Plan”).

WHEREAS, it is anticipated that the Restructuring Transactions will be implemented through jointly administered voluntary cases commenced by the Company (the “Chapter 11 Cases”) under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”), in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”), pursuant to the Plan, which will be filed by the Company in the Chapter 11 Cases.

WHEREAS, the Parties have agreed to support the Plan and the Restructuring Transactions contemplated by the Plan, including the conversion of all of the Term Loan Claims (as defined herein) into equity in the reorganized Company in full and final satisfaction of such Term Loan Claims, as provided for in the Plan.

WHEREAS, certain Consenting Term Loan Lenders, their affiliates, managed funds, or customer accounts (in their capacities as such, the “DIP Term Loan Lenders”) have committed to provide a debtor-in-possession term loan credit facility (the “DIP Term Loan Credit Facility”) and otherwise extend credit to the Company during the pendency of the Chapter 11 Cases and have agreed to the Company’s use of cash collateral, which DIP Term Loan Credit Facility and use of cash collateral shall be on terms consistent with the commitment letter that is attached hereto as **Exhibit B** (the “DIP Term Loan Commitment Letter”) and otherwise pursuant to the DIP Orders and the DIP Term Loan Credit Agreement (each as defined herein).

WHEREAS, certain Consenting Term Loan Lenders, their affiliates, managed funds, or customer accounts (in their capacities as such, the “Exit Term Loan Lenders”) have committed to provide a new money term loan credit facility (the “Exit Term Loan Credit Facility”) to the Company upon consummation of the Plan on terms, and in accordance with, the commitment letter attached hereto as **Exhibit C** (the “Exit Term Loan Commitment Letter”).

WHEREAS, as of the date hereof, the Sponsor, either directly or indirectly, is controlling equity holder of Dream II Holdings, LLC (the “Sponsor Prepetition Equity Interests”).

WHEREAS, Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P., as the Put Purchasers (as defined herein), entered into the Put Agreement (as defined herein) with the ABL Agent and SunTrust Bank (each as defined herein), pursuant to which the Put Purchasers agreed, upon the terms and conditions set forth therein, to purchase a participation in the Last Out Loans (as defined in the ABL Credit Agreement (as defined herein)) (the “Last Out Loans”).

WHEREAS, the Put Purchasers have agreed to “roll” their participation in the Last Out Loans into a participation in the Last Out Loans in the DIP ABL Credit Facility (as defined herein) (such Last Out Loans under the DIP ABL Credit Agreement, the “DIP Last Out Loans”), and further agreed that, upon the terms and conditions set forth in the Participation Agreement (as defined in the DIP ABL Credit Agreement), such participation in the DIP Last Out Loans would elevate into an assignment of such DIP Last Out Loans pursuant to which the Put Purchasers would become a direct lender of such DIP Last Out Loans, and further agreed that the amounts owed to them on account of their secured claims will, upon the effective date of a Plan, become part of the Exit ABL Facility (as defined herein) with the same priority with respect to the ABL Priority Collateral and the Term Loan Priority Collateral (each as defined herein) as existed under the Intercreditor Agreement (as defined herein).

WHEREAS, each Party has reviewed the Plan, has agreed to the terms of the Restructuring Transactions on the terms set forth therein, and agrees that the following sets forth the agreement among the Parties concerning their respective rights and obligations in respect of the Restructuring Transactions.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

AGREEMENT

1. **Definitions.** The following terms shall have the following definitions:

“ABL Agent” means Wells Fargo Bank, National Association, in its capacity as agent under the ABL Credit Agreement, solely in its capacity as such.

“ABL Credit Agreement” means that certain Third Amended and Restated Credit Agreement, dated as of June 9, 2017, by and among Hollander Home Fashions, LLC, Hollander

Sleep Products, LLC, Hollander Sleep Products Kentucky, LLC, Hollander Sleep Products Canada Limited, Pacific Coast Feather Company, and Pacific Coast Feather Cushion Co., as borrowers, Dream II Holdings, LLC, as parent, the lenders party thereto, and the ABL Agent, as modified and amended on August 31, 2017, October 19, 2018, and November 27, 2018, and as may be further amended, modified, restated, or supplemented from time to time.

“ABL Priority Collateral” has the meaning given to such term as defined in the Intercreditor Agreement.

“Agreement” has the meaning set forth in the preamble hereof and includes all of the exhibits attached hereto.

“Agreement Effective Date” means the date upon which this Agreement shall become effective and binding upon each of the Parties pursuant to the terms of Section 2 hereof.

“Alternative Transaction” means any dissolution, winding up, liquidation, reorganization, recapitalization, assignment for the benefit of creditors, merger, transaction, consolidation, business combination, joint venture, partnership, sale of assets (other than in ordinary course sales or sales of *de minimis* assets), financing (debt or equity), plan proposal, or restructuring of the Company (including any chapter 11 plan that is not the Plan, but not including, for the avoidance of doubt, any amendments, modifications, or supplements to the Plan related to effectuating a Sale Transaction (as defined in the Plan) as contemplated by the Plan, if applicable), other than the Restructuring Transactions.

“Bankruptcy Code” has the meaning set forth in the recitals hereof.

“Bankruptcy Court” has the meaning set forth in the recitals hereof.

“Canadian Court” means the Ontario Superior Court of Justice (Commercial List).

“CCAA” means Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended.

“Chapter 11 Cases” has the meaning set forth in the recitals hereof.

“Company” has the meaning set forth in the preamble hereof.

“Company Advisors” means, collectively, Kirkland & Ellis LLP, Houlihan Lokey Capital, Inc., and Carl Marks Advisors.

“Confirmation Order” means the order entered by the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

“Consenting Term Loan Lenders” has the meaning set forth in the preamble hereof.

“Consenting Term Loan Released Parties” has the meaning set forth in Section 15(b) hereof.

“Consenting Term Loan Releasing Parties” has the meaning set forth in Section 15(a) hereof.

“Debtors” means, collectively, (a) Dream II Holdings, LLC, (b) Hollander Home Fashions Holdings, LLC, (c) Hollander Sleep Products, LLC, (d) Hollander Sleep Products Kentucky, LLC, (e) Pacific Coast Feather, LLC, (f) Pacific Coast Feather Cushion, LLC, and (g) Hollander Sleep Products Canada Limited.

“Definitive Documentation” means the definitive documents and agreements governing the Restructuring Transactions, including the documents listed in Section 4 hereof and any and all other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan. “Definitive Document” shall have a correlative meaning.

“DIP ABL Agent” means the administrative agent under the DIP ABL Credit Agreement, solely in its capacity as such.

“DIP ABL Credit Agreement” means that certain debtor-in-possession credit agreement by and among the Company, the administrative agent thereunder, and the DIP ABL Lenders, as may be amended, modified, restated, or supplemented from time to time.

“DIP ABL Credit Facility” means the senior secured revolving credit facility provided for under the DIP ABL Credit Agreement.

“DIP ABL Lenders” means the banks, financial institutions, and other lenders party to the DIP ABL Credit Agreement from time to time.

“DIP Last Out Loans” has the meaning set forth in the recitals hereof.

“DIP Orders” means, collectively, the interim and final orders authorizing the use of cash collateral and approving the DIP Term Loan Credit Facility and the DIP ABL Credit Facility, each on terms materially consistent with the DIP Term Loan Commitment Letter.

“DIP Term Loan Agent” means Barings Finance LLC, in its capacity as administrative agent under the DIP Term Loan Credit Agreement, solely in its capacity as such, and any successor agent thereto.

“DIP Term Loan Claims” means any and all claims derived from or based upon the DIP Term Loan Credit Facility.

“DIP Term Loan Commitment Letter” has the meaning set forth in the recitals hereof.

“DIP Term Loan Credit Agreement” means that certain debtor-in-possession credit agreement by and among the Debtors, the DIP Term Loan Agent, and the DIP Term Loan Lenders, as may be amended, modified, restated, or supplemented from time to time, the form of which is attached as Exhibit A to the DIP Term Loan Commitment Letter.

“DIP Term Loan Credit Facility” has the meaning set forth in the recitals hereof.

“DIP Term Loan Lenders” has the meaning set forth in the recitals hereof.

“Disclosure Statement” means the disclosure statement (and all exhibits thereto) with respect to the Plan.

“Exit ABL Agent” means the administrative agent under the Exit ABL Credit Agreement, solely in its capacity as such.

“Exit ABL Credit Agreement” means that certain credit agreement by and among the Reorganized Debtors, the Exit ABL Agent, and the Exit ABL Lenders.

“Exit ABL Documents” means the Exit ABL Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements.

“Exit ABL Facility” means the asset-based revolving credit facility provided for under the Exit ABL Credit Agreement.

“Exit ABL Lenders” means the banks, financial institutions, and other lenders party to the Exit ABL Credit Agreement from time to time, solely in their capacity as such.

“Exit Facility Documents” means, collectively, the Exit ABL Documents and the Exit Term Loan Documents.

“Exit Term Loan Agent” means the administrative agent under the Exit Term Loan Credit Agreement, solely in its capacity as such.

“Exit Term Loan Commitment Letter” has the meaning set forth in the recitals hereof.

“Exit Term Loan Credit Agreement” means that certain credit agreement by and among the Reorganized Debtors, the Exit Term Loan Agent, and the Exit Term Loan Lenders.

“Exit Term Loan Credit Facility” has the meaning set forth in the recitals hereof.

“Exit Term Loan Documents” means the Exit Term Loan Credit Agreement and all other agreements, documents, and instruments related thereto, including any guaranty agreements, pledge and collateral agreements, intercreditor agreements, and other security agreements.

“Exit Term Loan Lenders” has the meaning set forth in the recitals hereof.

“Intercreditor Agreement” means that certain Amended and Restated Intercreditor Agreement by and among the ABL Agent and the Term Loan Agent, as may be amended, modified, restated, or supplemented from time to time.

“Last Out Loans” has the meaning set forth in the recitals hereof.

“Milestones” means the milestones set forth in the form of the DIP Term Loan Credit Agreement attached as **Exhibit A** to the DIP Term Loan Commitment Letter.

“Party” and “Parties” have the meanings set forth in the preamble hereof.

“Petition Date” means the date the Company commences the Chapter 11 Cases.

“Plan” has the meaning set forth in the recitals hereof.

“Plan Supplement” means the compilation of documents and forms of documents, schedules, and exhibits to the Plan that will be filed by the Company with the Bankruptcy Court, and which shall include the Exit Facility Documents and any other necessary documentation related to the Restructuring Transactions.

“Plan Support Period” means the period commencing on the date hereof and ending on the Termination Date.

“Put Agreement” means that certain put agreement, dated as of November 27, 2018, by and between the Put Purchasers, as purchasers, the ABL Agent, and SunTrust Bank.

“Put Purchasers” means Sentinel Capital Partners V, L.P., Sentinel Dream Blocker, Inc., and Sentinel Capital Investors V, L.P.

“Release” means the release of claims set forth in Section 15 hereof.

“Release Revocation Event” has the meaning set forth in Section 16(b) hereof.

“Release Revocation Notice” has the meaning set forth in Section 16(a) hereof.

“Releasing Parties” has the meaning set forth in Section 15(b) hereof.

“Reorganized Debtors” means the Debtors, as reorganized pursuant to and under the Plan, or any successor or assign thereto, by merger, amalgamation, consolidation, or otherwise, on or after the effective date of the Plan, including reorganized Dream II Holdings, LLC.

“Required Consenting Term Loan Lenders” means the Consenting Term Loan Lenders who hold, in the aggregate, at least 66.67 percent in principal amount outstanding of all Term Loan Claims held by Consenting Term Loan Lenders.

“Required DIP Term Loan Lenders” means the DIP Term Loan Lenders who hold, in the aggregate, more than 50.0% percent in principal amount outstanding of all DIP Term Loan Claims held by DIP Term Loan Lenders.

“Restructuring Support Parties” means, collectively, the Consenting Term Loan Lenders and the Sponsor.

“Restructuring Transactions” has the meaning set forth in the recitals hereof.

“Retention Order” means an order of the Bankruptcy Court, consistent with the engagement letter between the Company and the respective Company Advisor, authorizing the Company to retain and employ the respective Company Advisor.

“Revocation Cure Period” has the meaning set forth in Section 16(a) hereof.

“Solicitation Materials” means the ballots and other related materials drafted in connection with the solicitation of acceptances of the Plan.

“Solicitation Order” means the order of the Bankruptcy Court approving the Disclosure Statement and the Solicitation Materials.

“Sponsor” has the meaning set forth in the preamble hereof.

“Sponsor Counsel” means Kramer Levin Naftalis & Frankel LLP.

“Sponsor Prepetition Equity Interests” has the meaning set forth in the recitals.

“Sponsor Released Parties” has the meaning set forth in Section 15(a) hereof.

“Sponsor Releasing Parties” has the meaning set forth in Section 15(b) hereof.

“Sponsor Termination Event” has the meaning set forth in Section 10 hereof.

“Term Loan Agent” means Barings Finance LLC, in its capacity as administrative agent under the Term Loan Credit Agreement, solely in its capacity as such, and any successor agent thereto.

“Term Loan Agent Counsel” means King & Spalding LLP.

“Term Loan Claims” means any and all claims derived from or based upon the term loan facility provided for under the Term Loan Credit Agreement.

“Term Loan Credit Agreement” means that certain term loan credit agreement dated as of June 9, 2017, by and among the Company, as borrower, Dream II Holdings, LLC and Hollander Home Fashions Holdings, LLC, as guarantors, the Term Loan Lenders, and the Term Loan Agent, as amended, modified, restated, or supplemented from time to time prior to the Petition Date.

“Term Loan Lenders” means the banks, financial institutions, and other lenders party to the Term Loan Credit Agreement from time to time, each solely in their capacity as such.

“Term Loan Priority Collateral” has the meaning given to such term as defined in the Intercreditor Agreement.

“Termination Date” means the date on which termination of this Agreement in accordance with the terms herein is effective.

“Transfer” means to sell, transfer, assign, pledge, grant a participation interest in, or otherwise dispose of, directly or indirectly, in whole or in part, a Party’s right, title, or interest in respect of any of such Party’s claims (including Term Loan Claims) against, or interests in, the Company, or the deposit of any of such Party’s claims against or interests in the Company, as

applicable, into a voting trust, or the grant of any proxies, or entry into a voting agreement with respect to any such claims or interests.

“Transferee Joinder” means a transferee joinder substantially in the form attached hereto as **Exhibit D**.

“Transferor” means the Restructuring Support Party making a Transfer.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the DIP Term Loan Commitment Letter or the Plan, as applicable. Unless otherwise specified, references in this Agreement to any Section or clause refer to such Section or clause as contained in this Agreement. The words “herein,” “hereof,” and “hereunder” and other words of similar import in this Agreement refer to this Agreement as a whole, and not to any particular Section or clause contained in this Agreement. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and neuter genders. The words “including,” “includes,” and “include” shall each be deemed to be followed by the words “without limitation”. Wherever the consent or the written consent of a Party is required, the other Parties may rely on email correspondence from counsel to such Party.

2. **Agreement Effective Date.** The Agreement Effective Date shall occur immediately upon delivery to the Parties of executed and released signature pages for this Agreement from (i) the Company, (ii) Consenting Term Loan Lenders holding, in aggregate, at least two thirds in principal amount and more than one half in number of all Term Loan Claims, and (iii) the Sponsor. Upon the Agreement Effective Date, this Agreement shall be deemed effective and thereafter the terms and conditions herein may only be amended, modified, waived, or otherwise supplemented as set forth in Section 30 hereof.

3. **Incorporation by Reference.** The DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan, along with each of the exhibits attached hereto and any schedules to such exhibits, are expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan and all other such exhibits and schedules to such exhibits. In the event of any inconsistency between this Agreement (excluding the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, and the Plan) and the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, or the Plan, the DIP Term Loan Commitment Letter, the Exit Term Loan Commitment Letter, or the Plan shall govern, as applicable.

4. **Definitive Documentation.**

- (a) The Definitive Documentation shall include:
 - (i) the Plan;
 - (ii) the Plan Supplement and the documents contained therein;
 - (iii) the Confirmation Order;

- (iv) the Disclosure Statement, the motion seeking approval of the Disclosure Statement, the Solicitation Materials, and the Solicitation Order;
 - (v) the DIP Orders, the DIP Term Loan Credit Agreement, and the DIP ABL Credit Agreement;
 - (vi) the Exit Facility Documents; and
 - (vii) organizational documents of the reorganized Company, including any stockholders' agreement, operating agreement, limited liability company agreement, or other similar agreement setting forth the rights and obligations of the holders of the equity of the reorganized Company following the effective date of the Plan.
- (b) Except as set forth herein, the Definitive Documentation (and any modifications, restatements, supplements, or amendments to any of them) will, after the Agreement Effective Date, remain subject to negotiation and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent in all material respects with the terms of this Agreement and otherwise be in form and substance reasonably satisfactory in all material respects to each of the Company, the Required Consenting Term Loan Lenders, and the Sponsor, with reasonableness determined based on the economic and non-economic interest such Party has with respect to such Definitive Document, *except* that the DIP Orders and the DIP Term Loan Credit Agreement must be acceptable to the Required DIP Term Loan Lenders and the Exit Facility Documents must be acceptable to a majority of the Exit Term Loan Lenders by commitment amount.

5. **Milestones.** The Company shall implement the Restructuring Transactions in accordance with the Milestones. The Company may extend a Milestone only with the express prior written consent of the Required Consenting Term Loan Lenders.

6. **Commitment of the Restructuring Support Parties.** Each Restructuring Support Party shall (severally and not jointly) during the Plan Support Period:

- (a) support the Restructuring Transactions in accordance with the terms and conditions of this Agreement and take all actions reasonably necessary to support consummation of the Restructuring Transactions, by: (i) when properly solicited to do so, voting all of its claims (including all of its Term Loan Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party (or for which such Restructuring Support Party now or hereafter serves as the nominee, investment manager, or advisor for holders thereof) to accept the Plan; (ii) timely returning a duly-executed ballot in connection therewith; (iii) supporting and not "opting out" of any releases under the Plan and

affirmatively opting into such releases if required to do so; (iv) negotiating in good faith the Exit Term Loan Documents in accordance with the Exit Term Loan Commitment Letter; and (v) negotiating in good faith the Exit ABL Documents by no later than 90 days following the Petition Date (or to the extent there is a Sale Transaction (as defined in the Plan), supporting, and not objecting to, or materially delaying or impeding, or taking any other action that would be reasonably expected to materially interfere, directly or indirectly, with such Sale Transaction, and at all times supporting the payment of all allowed administrative and priority claims pursuant to such Sale Transaction).

- (b) not seek, support, or solicit an Alternative Transaction;
- (c) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, or vote with respect to the Plan;
- (d) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the Restructuring Transactions;
- (e) support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with the entry by the Bankruptcy Court of any of the DIP Orders, and shall (a) not propose, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders or (b) not direct the Term Loan Agent to propose, file, support, or file a pleading with the Bankruptcy Court seeking entry of an order authorizing, directly or indirectly, any use of cash collateral or debtor-in-possession financing other than as proposed in each of the DIP Orders and, to the extent the Term Loan Agent proposes, files, supports or files such a pleading, shall direct the Term Loan Agent to withdraw such proposal, support, or pleading;
- (f) not file or support, and not direct the Term Loan Agent to file or support, any motion or pleading with the Bankruptcy Court that is not materially consistent with this Agreement;
- (g) to the extent any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the Restructuring Transactions, negotiate in good faith appropriate additional or alternative provisions to address any such impediment; and
- (h) not object to, or otherwise contest, any application filed with the Bankruptcy Court seeking: (i) entry of the Retention Orders, authorizing the Company to retain and employ such Company Advisors who have

entered into engagement letters with the Company that are in effect as of the Agreement Effective Date; or (ii) allowance of any completion, transaction, or success fee (or similar fee) set forth in the respective Company Advisor's engagement letter with the Company so long as such completion, transaction, or success fee (or similar fee) is consistent with the terms of the applicable Company Advisor's Retention Order.

Notwithstanding the foregoing, nothing in this Agreement and neither a vote to accept the Plan by any Restructuring Support Party nor the acceptance of the Plan by any Restructuring Support Party shall (x) be construed to prohibit any Restructuring Support Party from contesting whether any matter, fact, or thing is a breach of, or is inconsistent with, this Agreement or the Definitive Documentation, or exercising rights or remedies specifically reserved herein; (y) be construed to prohibit or limit any Restructuring Support Party from appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases, so long as, during the Plan Support Period, such appearance and the positions advocated in connection therewith are not materially inconsistent with this Agreement, are not prohibited by this Agreement and are not for the purpose of hindering, delaying, or preventing the consummation of the Restructuring Transactions; or (z) limit the ability of a Restructuring Support Party to sell or enter into any transactions in connection with its claims (including all of its Term Loan Claims) against, or interests in, as applicable, the Company now or hereafter owned by such Restructuring Support Party, subject to Section 18 of this Agreement.

7. **Sponsor Commitments.** In addition to the obligations set forth in Section 6 hereof, the Sponsor shall, during the Plan Support Period:

- (a) not challenge, or support any party that challenges, the validity, enforceability, or priority of the Term Loan Credit Agreement or any portion of the Term Loan Claims; and
- (b) cause the Put Purchasers to direct the ABL Agent to (i) convert all revolving commitments under the Last Out Loans into commitments under the DIP ABL Credit Facility consistent with the terms of the DIP Term Loan Commitment Letter, (ii) upon the effective date of the Plan, convert all revolving commitments under the DIP ABL Credit Facility into commitments under the Exit ABL Facility on the same terms and conditions and with the same priority with respect to the ABL Priority Collateral and the Term Loan Priority Collateral as existed under the Intercreditor Agreement (or to the extent there is a Sale Transaction (as defined in the Plan), support, and not object to, or materially delay or impede, or take any other action that would be reasonably expected to materially interfere, directly or indirectly, with such Sale Transaction), and (iii) support a Plan that provides that the Sponsor receives no distribution of any kind on account of the Sponsor Prepetition Equity Interests unless a Sale Transaction (as defined in the Plan) provides sufficient cash to repay all Claims (as defined in the Plan) in accordance with the Plan.

8. **Commitment of the Company.** Subject to Section 17 hereof, the Company shall, during the Plan Support Period:

- (a) timely (i) file the motion seeking entry, and seek entry by the Bankruptcy Court of each, of the DIP Orders, (ii) file the Disclosure Statement and the motion seeking entry of the Solicitation Order and seek entry by the Bankruptcy Court of the Solicitation Order, and (iii) file the Plan and seek entry by the Bankruptcy Court of the Confirmation Order;
- (b) (i) support and use commercially reasonable efforts to execute and complete the Restructuring Transactions set forth in the Plan and this Agreement, (ii) negotiate in good faith all Definitive Documentation that is subject to negotiation as of the Agreement Effective Date and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement, and (iii) consult in good faith with the Consenting Term Loan Lenders and the Sponsor on each of the foregoing provisos;
- (c) if applicable, take all reasonable actions necessary to consummate a sale of assets as contemplated by the Plan;
- (d) provide the Consenting Term Loan Lenders and their advisors with, and direct their employees, officers, advisors, and other representatives to provide the Consenting Term Loan Lenders and their advisors with, (i) reasonable access to the Company's books and records, (ii) reasonable access to the management and advisors of the Company (including Carl Marks and Houlihan Lokey Capital, Inc.) for the purposes of evaluating the Company's assets, liabilities, operations, businesses, finances, strategies, prospects, and affairs, and (iii) reasonable responses to all reasonable diligence requests within a reasonable timeline based on the applicable circumstances to such diligence requests;
- (e) timely file (and diligently prosecute) a formal objection to any motion filed with the Bankruptcy Court by a party-in-interest seeking the entry of an order (i) directing the appointment of a trustee or examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code), (ii) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (iii) dismissing any of the Chapter 11 Cases;
- (f) timely file (and diligently prosecute) a formal objection to any motion filed with the Bankruptcy Court by a party-in-interest seeking the entry of an order modifying or terminating the Company's exclusive right to file and/or solicit acceptances of a chapter 11 plan, as applicable;
- (g) timely file (and diligently prosecute) a formal objection to any motion, application, or adversary proceeding challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or

subordination of, (i) the Prepetition Term Loan Credit Agreement and any portion of the Term Loan Claims or (ii) the Put Agreement or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans;

- (h) not challenge, or support any party that challenges, the validity, enforceability, or priority of the (i) Prepetition Term Loan Credit Agreement or any portion of the Term Loan Claims or (ii) the Put Agreement or the transactions contemplated thereby and/or any portion of the Last Out Loans or DIP Last Out Loans;
- (i) maintain their good standing under the laws of the states in which they are incorporated or organized;
- (j) timely comply with all Milestones;
- (k) seek a Confirmation Order that becomes effective and enforceable immediately upon its entry and seek to have the period in which an appeal thereto must be filed commence immediately upon its entry;
- (l) use their commercially reasonable efforts to (i) preserve intact in all material respects their current business organizations, (ii) keep available the services of their current officers and material employees (in each case, other than voluntary resignations, terminations for cause, or terminations consistent with applicable fiduciary duties), and (iii) preserve in all material respects their relationships with customers, sales representatives, suppliers, distributors, and others, in each case, having material business dealings with the Company (other than terminations for cause or consistent with applicable fiduciary duties);
- (m) to the extent that any legal or structural impediment arises that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan, negotiate in good faith appropriate additional or alternative provisions to address any such impediment, in consultation with the Sponsor, and any such provisions to be reasonably acceptable to the Required Consenting Term Loan Lenders and the Sponsor with respect to the Last Out Loans and DIP Last Out Loans;
- (n) as soon as reasonably practicable, notify the Consenting Term Loan Lenders and the Sponsor of any governmental or third party complaints, litigations, investigations, or hearings (or communications indicating that the same may be contemplated or threatened) that would prevent, hinder, or delay the consummation of the transactions contemplated in this Agreement or the Plan of which the Company Advisors have actual knowledge by furnishing written notice to the Consenting Term Loan

Lenders and the Sponsor within two business days of actual knowledge of such event;

- (o) as soon as reasonably practicable, notify the Consenting Term Loan Lenders and the Sponsor of any breach by the Company of which the Company Advisors have actual knowledge in respect of any of the obligations, representations, warranties, or covenants set forth in this Agreement by furnishing written notice to the Consenting Term Loan Lenders and the Sponsor promptly and, in any event, within two business days of actual knowledge of such breach;
- (p) pay in cash (i) prior to the Petition Date, all reasonable fees and expenses accrued prior to the Petition Date by the Term Loan Agent Counsel, (ii) after the Petition Date, all reasonable fees and expenses of the Term Loan Agent Counsel incurred on and after the Petition Date from time to time in accordance with the DIP Orders, and (iii) on and after the effective date of the Plan, all reasonable fees and expenses incurred by the Term Loan Agent Counsel in connection with the Restructuring Transactions;
- (q) comply with the terms and conditions of the DIP Orders in respect of the treatment of any claims the Sponsor has accrued for its reasonable and documented fees and expenses relating to the Last Out Loans or DIP Last Out Loans and the transactions contemplated thereby, including the Put Agreement, whether arising before or after the Petition Date;
- (r) provide draft copies of all material pleadings, including “first day” and other motions (excluding retention applications) that the Company intends to file with the Bankruptcy Court in any of the Chapter 11 Cases or with the Canadian Court in any recognition proceedings of the Company under the CCAA to the Term Loan Agent Counsel and the Sponsor Counsel at least two business days (or as soon as is reasonably practicable under the circumstances) prior to the date when the Company intends to file such document, and shall consult in good faith with such counsel regarding the form and substance of any such proposed filing (provided that any of the foregoing relating to the DIP Term Loan Credit Facility, the Plan, and the Exit Term Loan Documents shall be deemed material); and
- (s) not seek, solicit, or support any Alternative Transaction.

9. **Consenting Term Loan Lenders Termination Events.** The Required Consenting Term Loan Lenders shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 28 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Required Consenting Term Loan Lenders on a prospective or retroactive basis:

- (a) the failure to meet any of the Milestones unless such Milestone is extended in accordance with Section 5 of this Agreement; *provided* that, if

such failure is the result of any act, omission, or delay on the part of a Consenting Term Loan Lender in violation of such Consenting Term Loan Lender's obligations under this Agreement, such Consenting Term Loan Lender may not be among the Required Consenting Term Loan Lenders exercising their termination right with respect thereto under this Section 9(a);

- (b) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects the Consenting Term Loan Lenders' interests in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Company or by the Sponsor that has not been cured (if susceptible to cure) before five business days after written notice to the Company and the Sponsor in accordance with Section 28(a) hereof, which notice must include a description of such breach from the Required Consenting Term Loan Lenders;
- (c) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;
- (d) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Required Consenting Term Loan Lenders;
- (e) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;
- (f) notice of an "Event of Default" (as defined in the DIP Term Loan Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Loan Credit Facility or the DIP ABL Credit Facility and has not been waived or timely cured in accordance therewith;
- (g) the Definitive Documentation is not in form and substance satisfactory to the Required Consenting Term Loan Lenders in accordance with Section 4(b) hereof; *provided* that the Required Consenting Term Loan Lenders must provide five business days' written notice to the Company and the Sponsor in accordance with Section 28(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be in form and substance reasonably satisfactory to the Required Consenting Term Loan Lenders;
- (h) the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan;

- (i) the Company or the Sponsor supports any person or entity seeking to take, or that takes, any of the actions set forth in the foregoing subsections (c)–(h) of this Section 9;
- (j) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions or a final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring Transaction; *provided* that, only to the extent that such ruling or order may be reasonably remedied, the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not reasonably prevent or diminish in a material way compliance with the terms of the Plan and this Agreement and (ii) is reasonably acceptable to the Required Consenting Term Loan Lenders;
- (k) the Bankruptcy Court enters a final order disallowing, invalidating, subordinating, recharacterizing, or declaring unenforceable the claims, liens, or interests held by the Consenting Term Loan Lenders, including any Term Loan Claims;
- (l) termination of the commitments or acceleration of the obligations under the DIP Term Loan Credit Facility or DIP ABL Credit Facility pursuant to their respective terms;
- (m) the Company files a motion seeking entry of an order approving any key employee incentive plan, employee retention plan, or comparable plan, except as provided in the Plan, without the prior written consent of the Required Consenting Term Loan Lenders, which shall not be unreasonably withheld, conditioned, or delayed;
- (n) the Bankruptcy Court enters an order modifying or terminating the Company’s exclusive right to file and/or solicit acceptances of a plan of reorganization (including the Plan) without the Term Loan Agent and Term Loan Lenders consent; or
- (o) the Company files a motion, application, or adversary proceeding (or the Company supports any such motion, application, or adversary proceeding filed or commenced by any third party, provided that it is acknowledged and agreed that cooperation with any investigation into such claims is not “support” for such motion, application, or adversary proceeding) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Term Loan Credit Agreement and Term Loan Claims or asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims.

10. **Sponsor Termination Events.** The Sponsor shall have the right, but not the obligation, upon notice to the other Parties provided in accordance with Section 28 hereof, to terminate this Agreement as to all Parties upon the occurrence of any of the following events, unless waived, in writing, by the Sponsor on a prospective or retroactive basis:

- (a) the occurrence of a breach of this Agreement (including any representation, warranty, or covenant contained herein) in any respect that adversely affects the Sponsor's interests in connection with the Restructuring Transactions, the Plan, or this Agreement by the Company (unless such action has been caused by or otherwise supported by the Sponsor) or by one or more Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims that has not been cured (if susceptible to cure) before five business days after written notice to the Company in accordance with Section 28(a) hereof of such material breach by the Company or Consenting Term Loan Lender or Lenders, as applicable, asserting such termination, which notice must include a description of such breach;
- (b) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code (other than any such conversion supported or caused by the Sponsor);
- (c) the dismissal of one or more of the Chapter 11 Cases without the prior written consent of the Sponsor (other than any such dismissal supported or caused by the Sponsor);
- (d) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;
- (e) notice of an "Event of Default" (as defined in the DIP Term Loan Credit Agreement or the DIP ABL Credit Agreement, as applicable) has been given or declared under either the DIP Term Loan Credit Facility or the DIP ABL Credit Facility and has not been waived or timely cured in accordance therewith;
- (f) the Definitive Documentation is not in form and substance reasonably satisfactory to the Sponsor in accordance with Section 4(b) hereof; *provided* that the Sponsor must provide five business days' written notice to the Company in accordance with Section 28(a) hereof of any such proposed termination and the Company shall have such time to amend or modify such Definitive Documentation such that the applicable Definitive Documentation shall be in form and substance reasonably satisfactory to the Sponsor;

- (g) unless such action has been caused by or otherwise supported by the Sponsor, the Company (i) files or announces that it will proceed with an Alternative Transaction or (ii) withdraws or announces its intention not to support the Plan;
- (h) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of any of the Restructuring Transactions; *provided* that the Company shall have five business days after the issuance of such ruling or order to obtain relief that would allow consummation of the applicable Restructuring Transactions in a manner that (i) does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement or (ii) is reasonably acceptable to the Sponsor;
- (i) the Company or any Restructuring Support Party files a motion, application, or adversary proceeding (or the Company or any Restructuring Support Party supports any such motion, application, or adversary proceeding filed or commenced by any third party, provided that it is acknowledged and agreed that cooperation with any investigation into such claims is not “support” for such motion, application, or adversary proceeding) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, any portion of the Last Out Loans or DIP Last Out Loans or asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims, or any Party (other than the Sponsor) brings any claims or proceedings against the Sponsor. For the avoidance of doubt, if any Party (other than the Sponsor) brings claims or proceedings against the Sponsor or with respect to the Last Out Loans or DIP Last Out Loans, or any claims against the Sponsor are included on the Schedule of Retained Causes of Action (as defined in the Plan), the Put Purchasers shall have no obligation to “roll” their participation in the DIP Last Out Loans into the Exit ABL Facility, as contemplated in the recitals hereof; or
- (j) (i) the amendment or modification of the DIP Intercreditor Agreement (as defined in the Plan) in any respect that adversely affects the Sponsor’s interests in connection with the Restructuring Transactions, the Plan, or this Agreement without its consent (such consent not to be unreasonably withheld), or (ii) the DIP ABL Credit Agreement is amended or modified, or the DIP ABL Agent or DIP ABL Lenders take actions, in violation of the Participation Agreement (as defined in the DIP ABL Credit Agreement).

11. **The Company’s Termination Events.** The Company may, upon notice to the Restructuring Support Parties, terminate this Agreement as to all Parties upon the occurrence of

any of the following events, unless waived, in writing, by the Company on a prospective or retroactive basis:

- (a) the occurrence of a breach of this Agreement in any respect that adversely affects, in any material respect, the Company's interests in connection with the Restructuring Transactions, the Plan, or this Agreement, by the Sponsor or by Consenting Term Loan Lenders holding Term Loan Claims in an aggregate outstanding principal amount such that non-breaching Consenting Term Loan Lenders hold less than 66.67 percent of the aggregate outstanding principal amount of Term Loan Claims that has not been cured (to the extent curable) before five business days after notice to all Restructuring Support Parties given in accordance with Section 28 hereof of such breach;
- (b) any of the Definitive Documentation (including any amendment or modification thereof) is filed with the Bankruptcy Court or otherwise finalized, or has become effective, that is not materially consistent with this Agreement or otherwise reasonably satisfactory to the Company, and such inconsistency has not been cured before five business days after notice to all Restructuring Support Parties given in accordance with Section 28 hereof of such breach;
- (c) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions in a way that cannot be reasonably remedied by the Company in a manner that is reasonably satisfactory to the Required Consenting Term Loan Lenders and the Sponsor or a final, non-appealable ruling or order preventing the consummation of a material portion of the Restructuring Transactions; or
- (d) following the Company determining, upon advice of outside counsel, that proceeding with the Restructuring Transactions contemplated by this Agreement would be inconsistent with the continued exercise of its fiduciary duties as set forth in Section 17 hereof; *provided* that notwithstanding any provision of this Agreement to the contrary, upon such determination, the Company shall be entitled, but not required, to terminate this Agreement immediately upon written notice to each Restructuring Support Party delivered in accordance with Section 28 hereof.

12. **Mutual Termination; Automatic Termination.** This Agreement and the obligations of all Parties hereunder may be terminated by mutual written agreement by and among Dream II Holdings, LLC, on behalf of the Company, the Required Consenting Term Loan Lenders, and the Sponsor. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically without further required action upon the occurrence of the effective date of the Plan.

13. **Automatic Stay.** The Company acknowledges and agrees and shall not dispute that after the commencement of the Chapter 11 Cases, the giving of notice of termination of this Agreement by any Party pursuant to this Agreement shall not be a violation of the automatic stay of section 362 of the Bankruptcy Code (and the Company hereby waives, to the fullest extent permitted by law, the applicability of the automatic stay as it relates to any such notice being provided); *provided* that nothing herein shall prejudice any Party's rights to argue that the giving of notice of default or termination was not proper under the terms of this Agreement.

14. **Effect of Termination.** Upon the termination of this Agreement, this Agreement shall be of no further force or effect with respect to any Restructuring Support Party, and each Restructuring Support Party shall: (a) be released from its commitments, undertakings, and agreements under or related to this Agreement; (b) have the rights and remedies that it would have had, had it not entered into this Agreement; and (c) be entitled to take all actions, whether with respect to the Restructuring Transactions or otherwise, that it would have been entitled to take had it not entered into this Agreement. Any and all consents tendered by any Restructuring Support Party prior to such termination shall be deemed, for all purposes, to be null and void *ab initio*, shall not be considered or otherwise used in any manner by the Parties in connection with the Restructuring Transactions, the Plan, and this Agreement or otherwise and such consents may be changed or resubmitted; *provided* that if the approval of the Bankruptcy Court shall be required under applicable law in order for a Restructuring Support Party to change or resubmit such consents, then the Company shall not oppose any attempt by such Restructuring Support Party to terminate, change, or resubmit the consent under this Section 14. The termination of this Agreement shall not relieve or absolve any Restructuring Support Party of any liability for any breaches of this Agreement that preceded the termination of the Agreement. Notwithstanding anything to the contrary in this Agreement, the foregoing shall not be construed to prohibit the Company or any Restructuring Support Party from contesting whether any such termination is in accordance with its terms or to seek enforcement of any rights under this Agreement that arose or existed before the Termination Date. Except as expressly provided in this Agreement, nothing in this Agreement is intended to, or does, in any manner waive, limit, impair, or restrict any right or ability of any Restructuring Support Party to protect and preserve its rights (including rights under this Agreement), remedies, and interests, including its claims against any other Restructuring Support Party.

15. **Release.**

- (a) On the Agreement Effective Date, each Consenting Term Loan Lender, and subject in all respects to Section 16 hereof, on behalf of itself and its predecessors, successors and assigns, subsidiaries, affiliates, managed accounts or funds, current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals, in each case in their capacity as such (collectively, the "Consenting Term Loan Releasing Parties"), expressly and generally releases, acquits, and discharges (i) the Sponsor, (ii) the Sponsor's respective predecessors, successors and assigns, subsidiaries, affiliates (in each case of the foregoing, except the Company), managed accounts or

funds or investment vehicles, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Sponsor, and (iii) the current and former directors of the Company and its subsidiaries (including any Sponsor appointed directors and the Company's disinterested director), in each case in the foregoing (i) through (iii), in their capacity as such (collectively, the "Sponsor Released Parties"), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Consenting Term Loan Releasing Parties (whether individually or collectively) ever had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company, or any other transaction) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, arising on or before the execution of this Agreement.

- (b) On the Agreement Effective Date, the Sponsor, subject in all respects to Section 16 hereof, on behalf of itself and its predecessors, successors and assigns, subsidiaries, affiliates (in each case of the foregoing, except the Company), managed accounts or funds or investment vehicles, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Sponsor, in each case in their capacity as such (collectively, the "Sponsor Releasing Parties" and, together with the Consenting Term Loan Releasing Parties, the "Releasing Parties"), expressly and generally releases, acquits, and discharges (i) the other applicable Sponsor Released Parties, (ii) each Consenting Term Loan Lender and the Term Loan Agent, and (iii) each Consenting Term Loan Lender's and Term Loan Agent's respective predecessors, successors and assigns, subsidiaries, affiliates, managed accounts or funds, and each of such entities' respective current and former officers, directors, principals, shareholders, members, partners, employees, agents, advisory board members, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, management companies, fund advisors, and other professionals of the Term Loan Agent and each Consenting Term Loan Lender, in each case in the foregoing (i) through (iii), in their

capacity as such (collectively, the “Consenting Term Loan Released Parties”), from any and all claims, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims asserted or assertable on behalf of the Company, any claims asserted or assertable on behalf of any holder of any claim against or interest in the Company and any claims asserted or assertable on behalf of any other entity, whether known or unknown, foreseen or unforeseen, matured or unmatured, in law, equity, contract, tort, or otherwise, by statute or otherwise, that such Sponsor Releasing Parties (whether individually or collectively) ever had, now has, or may have, based on or relating to, or in any manner arising from, in whole or in part, the Company (including the purchase, sale, rescission, or any other transaction relating to any security of or debt in the Company) or the negotiation, formulation, or preparation of the Restructuring Transactions, in each case, arising on or before the execution of this Agreement.

- (c) For the avoidance of doubt, nothing in this Section 15 or otherwise in this Agreement (except as provided for in the Plan) shall operate as a release of or by the Company or any of its subsidiaries, including of any and all potential claims and causes of action which are or may be subject to investigation by the Company’s disinterested director; *provided* that, subject to (a) the completion of the investigation by the Company’s disinterested director, and (b) the disinterested director’s determination that the grant of a release is appropriate, all such claims or causes of action against the Sponsor or any Sponsor Released Party are released as of the Agreement Effective Date.
- (d) Subject to Section 16 hereof, each of the Releasing Parties knowingly grants this Release notwithstanding that each Releasing Party may hereafter discover facts in addition to, or different from, those which either such Releasing Party now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and each Releasing Party expressly waives any and all rights that such Releasing Party may have under any statute or common law principle which would limit the effect of the Release to those claims actually known or suspected to exist as of before the Agreement Effective Date.
- (e) Subject to Section 16 hereof, in connection with their agreement to the foregoing Release, the Releasing Parties knowingly and voluntarily waive and relinquish any and all provisions, rights, and benefits conferred by any law of the United States or any state or territory of the United States, or principle of common law, which governs or limits a person’s release of unknown claims, comparable or equivalent to California Civil Code § 1542, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO

EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.

- (f) Each of the Releasing Parties hereby represents and warrants that it has access to adequate information regarding the terms of this Agreement, the scope and effect of the Release, and all other matters encompassed by this Agreement to make an informed and knowledgeable decision with regard to entering into this Agreement. Each of the Releasing Parties further represents and warrants that it has not relied upon any other Party in deciding to enter into this Agreement and has instead made its own independent analysis and decision to enter into this Agreement.

16. Revocation of Release.

- (a) Subject to Section 16(c) hereof, a Release provided in Section 15 hereof shall be deemed revoked if any Party receives a notice from any other Party (each, a “Release Revocation Notice”) of the occurrence of a Release Revocation Event (as defined herein) and the recipient(s) of the Release Revocation Notice fails to cure such Release Revocation Event within five business days of receipt of such Release Revocation Notice (the “Revocation Cure Period”) or such Release Revocation Notice is not otherwise rescinded; *provided* that in the event the recipient(s) of a Release Revocation Notice disputes either the occurrence of a Release Revocation Event or the failure of the recipient(s) to cure the Release Revocation Event within the Revocation Cure Period, such recipient(s) shall have five business days from the expiration of the Revocation Cure Period to seek a determination by the Bankruptcy Court or such other court of competent jurisdiction having jurisdiction over such claim in accordance with this Agreement as to whether a Release Revocation Event occurred and was not cured within the Revocation Cure Period.
- (b) Release Revocation Event. For the purposes of this Agreement, a “Release Revocation Event” means any of the following:
- (i) a breach by any Party (other than the Releasing Party seeking to revoke the Release) of any material representation, warranty, covenant, or other provision of this Agreement that gives rise to a termination right under this Agreement;
 - (ii) this Agreement is terminated with respect to the Company, including as a result of the Company’s determination pursuant to Section 11(d) hereof; and

- (iii) any Party brings an action or claim against the Sponsor or any Sponsor Released Party (including any action or claim pursuant to Section 15(c) hereof).

Notwithstanding the foregoing subsections (i) and (ii) of this Section 16(b), if the economic outcome for the Required Consenting Term Loan Lenders, the timing of the effective date of the Plan, and all other material terms as contemplated herein are substantially preserved, in each case as determined by the Required Consenting Term Loan Lenders, the foregoing subsections (i) and (ii) shall not constitute a Release Revocation Event (other than with respect to a breach of this Agreement by the Sponsor).

(c) Effect of Revocation of Release.

- (i) Revocation of a Release as a result of a Release Revocation Event as contemplated in subsections (ii), (iii), and (iv) of this Section 16(c) shall result in a full and complete restoration of any and all claims, liabilities, and causes of action subject to such Release, and such Release shall be void *ab initio*, in each case, to the extent contemplated in subsections (ii), (iii), and (iv) of this Section 16(c).
- (ii) In the case of a Release Revocation Event under subsection (i) of Section 16(b) hereof, if the breaching Party is a Sponsor, the Release in Section 15(a) hereof shall be revoked with respect to all of the Sponsor Released Parties (and such Sponsor Released Parties shall no longer have the benefit of such Release), and if the breaching Party is a Consenting Term Loan Lender, the Releases in Section 15(b) hereof shall be revoked solely with respect to such breaching Consenting Term Loan Lender and its respective Consenting Term Loan Released Parties (and such Consenting Term Loan Released Parties shall no longer have the benefit of such Release). Other than as set forth in this subsection (ii) of Section 16(c) hereof, the revocation of any Release under subsection (i) of Section 16(b) hereof shall not operate as a revocation of, nor otherwise impair or affect, any other Release.
- (iii) In the case of a Release Revocation Event under subsection (ii) of Section 16(b) hereof, the Releases in Section 15(a) and Section 15(b) hereof shall be revoked in their entireties.
- (iv) In the case of a Release Revocation Event under subsection (iii) of Section 16(b) hereof, the Releases granted by the Sponsor Releasing Parties in Section 15(b) hereof shall be revoked in their entireties and the Put Purchasers shall have no obligation to “roll”

their participation in the DIP Last Out Loans into the Exit ABL Facility.

17. **Fiduciary Duties.** Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the Company, or any directors, officers, or employees of the Company (in such person's capacity as a director, officer, or employee) to take any action, or to refrain from taking any action, to the extent that the Company or its board of directors or officers determines in good faith, upon advice of counsel, that taking such action or refraining from taking such action may be inconsistent with its or their fiduciary obligations under applicable law, and any such exercise of such fiduciary duties shall not be deemed to constitute a breach of the terms of this Agreement; *provided* that the effect of any such action or inaction (and to the extent the Company does not terminate this Agreement in accordance with this Section 17 and Section 11(d) hereof), shall provide the Consenting Term Loan Lenders and the Sponsor the ability to take actions in accordance with Section 9 or Section 10 hereof, respectively, to terminate this Agreement. The Company, in its sole discretion, may (but shall not be required to) terminate this Agreement in accordance with Section 11(d) hereof, and specific performance shall not be available as a remedy if this Agreement is terminated in accordance with this Section 17 and Section 11(d) hereof. All Consenting Term Loan Lenders reserve all rights they may have, including the right (if any) to challenge any exercise by the Company of its ability to terminate this Agreement under Section 11(d) hereof pursuant to this Section 17.

18. **Transfers of Claims and Interests.** During the Plan Support Period, subject to the terms and conditions hereof, each Restructuring Support Party shall not make a Transfer, unless such Transfer is to another Restructuring Support Party or any other entity that first agrees in writing to be bound by the terms of this Agreement by executing and delivering to the Company the Transferee Joinder. Upon compliance with the foregoing, the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations. Any Transfer made in violation of this Section 18 shall be deemed null and void *ab initio* and of no force or effect, regardless of any prior notice provided to the Company and/or any Restructuring Support Party, and shall not create any obligation or liability of the Company or any other Restructuring Support Party to the purported transferee.

19. **Further Acquisition of Claims or Interests.** Except as set forth in Section 18 hereof, nothing in this Agreement shall be construed as precluding any Consenting Term Loan Lender or any of its affiliates from acquiring additional DIP Term Loan Claims or Term Loan Claims or interests in the instruments underlying the DIP Term Loan Claims or Term Loan Claims; *provided* that any such additional DIP Term Loan Claims or Term Loan Claims acquired by any Consenting Term Loan Lender or by any of its affiliates shall automatically be subject to the terms and conditions of this Agreement. Upon any such further acquisition by a Consenting Term Loan Lender or any of its affiliates, such Consenting Term Loan Lender shall promptly notify counsel to the Company.

20. Consents and Acknowledgments.

- (a) Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for acceptances of the Plan for purposes of sections 1125, 1126, and 1127 of the Bankruptcy Code or otherwise. Any such offer or solicitation will be made only in compliance with all applicable securities laws and provisions of the Bankruptcy Code.
- (b) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) consents to the Company's use of its cash collateral and incurrence of debtor-in-possession financing expressly as authorized by, and subject to the terms of, the DIP Orders.
- (c) By executing this Agreement, each Restructuring Support Party (including, for the avoidance of doubt, any entity that may execute this Agreement or a Transferee Joinder after the Agreement Effective Date) forbears from exercising remedies with respect to any Default or Event of Default (as defined under the Term Loan Credit Agreement) that is caused by the Company's entry into this Agreement or the other documents related to this Agreement and the transactions contemplated in this Agreement, and agrees to direct the Term Loan Agent to not exercise remedies to the extent that any other Term Loan Lender directs it to exercise such remedies.

21. Representations and Warranties.

- (a) Each Restructuring Support Party hereby represents and warrants on a several and not joint basis for itself and not any other person or entity that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:
 - (i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;
 - (ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;
 - (iii) to the extent it is a Consenting Term Loan Lender or the Sponsor, the execution and delivery by it of this Agreement does not violate its certificates of incorporation, or bylaws, or other organizational documents;
 - (iv) the execution, delivery, and performance by it of this Agreement does not require any registration or filing with, the consent or

approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, except (i) any of the foregoing as may be necessary and/or required for disclosure by the Securities and Exchange Commission and applicable state securities or “blue sky” laws, (ii) any of the foregoing as may be necessary and/or required in connection with the Chapter 11 Cases, including the approval of the Disclosure Statement and confirmation of the Plan, (iii) filings of amended certificates of incorporation or articles of formation or other organizational documents with applicable state authorities, and other registrations, filings, consents, approvals, notices, or other actions that are reasonably necessary to maintain permits, licenses, qualifications, and governmental approvals to carry on the business of the Company, and (iv) any other registrations, filings, consents, approvals, notices, or other actions, the failure of which to make, obtain or take, as applicable, would not be reasonably likely, individually or in the aggregate, to materially delay or materially impair the ability of any Party hereto to consummate the transactions contemplated hereby;

- (v) this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors’ rights generally, or by equitable principles relating to enforceability;
- (vi) it is an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended, with sufficient knowledge and experience to evaluate properly the terms and conditions of this Agreement, the Disclosure Statement, the Plan, and any other Definitive Documentation, and it has made its own analysis and decision to enter into this Agreement; and
- (vii) it (A) either (1) is the sole owner of the claims and interests identified below its name on its signature page hereof and in the amounts set forth therein, or (2) has all necessary investment or voting discretion with respect to the principal amount of claims and interests identified below its name on its signature page hereof, and has the power and authority to bind the owner(s) of such claims and interests to the terms of this Agreement; (B) is entitled (for its own accounts or for the accounts of such other owners) to all of the rights and economic benefits of such claims and interests; and (C) to the knowledge of the individuals working on the Restructuring Transactions, does not directly or indirectly own any

Term Loan Claims, other than as identified below its name on its signature page hereof.

- (b) Each Company entity hereby represents and warrants on a joint and several basis (and not any other person or entity other than each Company entity) that the following statements are true, correct, and complete, to the best of its actual knowledge, as of the date hereof:
- (i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;
 - (ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part, including approval of each of the independent directors of each of the corporate entities that comprise the Company;
 - (iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates in any material respect, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Company undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;
 - (iv) the execution and delivery by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, other than, for the avoidance of doubt, the actions with governmental authorities or regulatory bodies required in connection with implementation of the Restructuring Transactions;
 - (v) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability; and
 - (vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been

afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

22. **Relationship Among Parties.** Notwithstanding anything herein to the contrary, (i) the duties and obligations of the Parties under this Agreement shall be several, not joint; (ii) no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity; (iii) no prior history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement; (iv) the Parties hereto acknowledge that this Agreement does not constitute an agreement, arrangement, or understanding with respect to acting together for the purpose of acquiring, holding, voting, or disposing of any equity securities of the Company, the Parties do not constitute a “group” within the meaning of Rule 13d-5 under the Securities Exchange Act of 1934, as amended, and no action taken by any Party pursuant to this Agreement shall be deemed to create a presumption that the Parties are, in any way, acting as a “group”; and (v) none of the Restructuring Support Parties shall have any fiduciary duty, any duty of trust or confidence in any form, or other duties or responsibilities in any kind or form to each other, the Company or any of the Company’s other lenders or stakeholders, including as a result of this Agreement or the transactions contemplated hereby.

23. **Remedies.** It is understood and agreed by the Parties that breach of this Agreement would give rise to irreparable damage for which monetary damages may not be an adequate remedy and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach of this Agreement, including an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder, *provided* specific performance shall not be an available remedy against the Company if the Company validly terminates this Agreement in accordance with, and subject to, Section 11(d) hereof. The Parties agree that such relief will be their only remedy against the applicable breaching Party or Parties with respect to any such breach, and that in no event will any Party be liable for monetary damages under or in connection with this Agreement.

24. **Governing Law & Jurisdiction.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to such state’s choice of law provisions which would require the application of the law of any other jurisdiction, except where preempted by the Bankruptcy Code. By its execution and delivery of this Agreement, each Party irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising 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 the United States District Court for the Southern District of New York, and by executing and delivering this Agreement, each of the Parties irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to New York jurisdiction, if the Chapter 11 Cases are commenced, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this

Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

25. **Waiver of Right to Trial by Jury.** Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between any of the Parties arising out of, connected with, relating to, or incidental to the relationship established between any of them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

26. **Successors and Assigns.** Except as otherwise provided in this Agreement, this Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives.

27. **No Third-Party Beneficiaries.** Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

28. **Notices.** All notices (including any notice of termination or breach) and other communications from any Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Parties at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to all other Parties.

(a) If to the Company:

Hollander Sleep Products, LLC
901 Yamato Road
Suite 250
Boca Raton, Florida 33431
Attn: Marc. L. Pfefferle
Email: mpfefferle@carlmarks.com

With a copy to:

Kirkland & Ellis LLP
300 North LaSalle
Chicago, Illinois 60654
Attn: Joseph M. Graham
Laura Krucks
Email: joe.graham@kirkland.com
laura.krucks@kirkland.com

(b) If to the Sponsor:

Sentinel Capital Partners
330 Madison Avenue, 27th Floor
New York, New York 10017
Attn: Vincent E. Taurassi
Email: Taurassi@sentinelpartners.com

With a copy to:

Kramer Levin Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attn: Adam Rogoff
Email: arogoff@kramerlevin.com

(c) If to the Consenting Term Loan Lenders:

To each Consenting Term Loan Lender at the addresses or e-mail addresses set forth below the Consenting Term Loan Lender's signature page to this Agreement (or to the signature page to a Transferee Joinder as the case may be).

With a copy to:

King & Spalding LLP
1180 Peachtree Street, NE Suite 1600
Atlanta, GA 30309
Attn: W. Austin Jowers
Email: ajowers@kslaw.com

and

King & Spalding LLP
1185 Avenue of the Americas
34th Floor
New York, NY 10036
Attn: Christopher Boies
Stephen M. Blank
Email: sboies@kslaw.com
sblank@kslaw.com

29. **Entire Agreement.** This Agreement (including each of the exhibits hereto and any schedules to such exhibits) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

30. **Amendments.** Except as otherwise provided herein, this Agreement may not be modified, amended, or supplemented without the prior written consent of the Company, the Required Consenting Term Loan Lenders, and the Sponsor (but only with respect to this Agreement, not the DIP Term Loan Commitment Letter or the Exit Term Loan Commitment Letter unless such amendments, modifications, or supplements have an adverse effect on the Sponsor or the treatment of the Last Out Loans or DIP Last Out Loans); *provided* that any modification, amendment, or change to (a) the definition of Required Consenting Term Loan Lenders or the threshold of Consenting Term Loan Lenders set forth in Section 9 hereof shall also require the written consent of each Consenting Term Loan Lender, (b) this Section 30 shall require the written consent of the Company, each Consenting Term Loan Lender, and the Sponsor, or (c) this Agreement that treats or affects any Consenting Term Loan Lender in a manner that is disproportionately adverse, on an economic or non-economic basis, to the treatment of other holders of Term Loan Claims, shall also require the written consent of such Consenting Term Loan Lender.

31. **Reservation of Rights.** Subject to and except as expressly provided in this Agreement or in any amendment thereof agreed upon by the Parties pursuant to the terms hereof, nothing herein is intended to, or does, in any manner waive, limit, impair or restrict the ability of each of the Parties to protect and preserve its rights, remedies and interests, including its claims against any of the other Parties (or their respective affiliates or subsidiaries) or its full participation in the Chapter 11 Cases. Without limiting the foregoing sentence in any way, if the Restructuring Transactions are not consummated, or if this Agreement is terminated for any reason, nothing in this Agreement shall be construed as a waiver by any Party of any or all of such Party's rights, remedies, claims and defenses, and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses. This Agreement shall in no event be construed as, or be deemed to be, evidence of an admission or concession on the part of any Party of any claim or fault or liability or damages whatsoever. Any waiver shall not be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent default, misrepresentation, or breach of warranty or covenant. 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. This Agreement is part of a proposed settlement of matters that could otherwise be the subject of litigation among the Parties hereto. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, all negotiations relating to this Agreement shall not be admissible into evidence in any proceeding other than a proceeding to enforce the terms of this Agreement.

32. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

33. **Disclosures.** The Company shall (a) submit drafts to the Term Loan Agent Counsel and Sponsor Counsel of any press releases and public documents that constitute the disclosure of the existence or terms of this Agreement or any amendment to the terms of this Agreement at least two business days or as soon as reasonably practicable prior to making any such disclosure and (b) consult with the Term Loan Agent Counsel and Sponsor Counsel in good faith regarding the form and substance of such disclosure(s), including consideration of inclusion

of any comments reasonably requested by the Term Loan Agent Counsel or Sponsor Counsel. Except as required by law or otherwise permitted under the terms of any other agreement between the Company, on the one hand, and the Term Loan Lenders, on the other hand (including the DIP Term Loan Agreement and related documents), this Agreement, as well as its terms, its existence, and the existence of the negotiation of its terms are expressly subject to any existing confidentiality agreements executed by and among any of the Parties as of the date hereof (including any such provisions in the Term Loan Credit Agreement); *provided* that (i) such information may be disclosed to Term Loan Lenders not party hereto, subject to the confidentiality provisions in the Term Loan Credit Agreement, and (ii) after the Petition Date, the Parties may disclose the existence of, or the terms of, this Agreement or any other material term of the transaction contemplated herein without the express written consent of the other Parties; *provided, further*, that no Party or its advisors shall disclose to any person or entity (including, for the avoidance of doubt, any other Party), other than advisors to the Company, the principal amount or percentage of any claims, loans, or other interests held by the Consenting Term Loan Lenders or the Sponsor, in each case, without the prior written consent of such Consenting Term Loan Lender or the Sponsor, as applicable.

34. **Headings.** The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

35. **Interpretation.** This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

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


37. **Consideration.** The Parties hereby acknowledge that no consideration, other than that specifically described herein, shall be due or paid to any Party for its agreement to vote to accept the Plan in accordance with the terms and conditions of this Agreement.

38. **Computation of Time.** Rule 9006(a) of the Federal Rules of Bankruptcy Procedure applies in computing any period of time prescribed or allowed herein only to the extent such period of time governs a Milestone pertaining to the entry of an order by the Bankruptcy Court in the Chapter 11 Cases.

[Signatures and exhibits follow.]

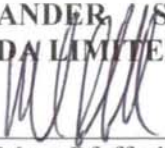
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date and year first written above.

DREAM II HOLDINGS, LLC,



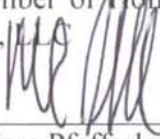
Name: Marc Pfefferle
Title: Chief Executive Officer

**HOLLANDER SLEEP PRODUCTS
CANADA LIMITED (CANADA)**



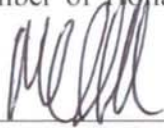
Name: Marc Pfefferle
Title: Chief Executive Officer

DREAM II HOLDINGS, LLC,
Sole Member of Hollander Home Fashions
Holdings, LLC



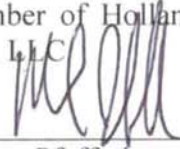
Name: Marc Pfefferle
Title: Chief Executive Officer

**HOLLANDER HOME FASHIONS
HOLDINGS, LLC,**
Sole Member of Hollander Sleep Products,
LLC



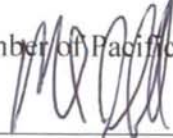
Name: Marc Pfefferle
Title: Chief Executive Officer

**HOLLANDER SLEEP PRODUCTS,
LLC,**
Sole Member of Hollander Sleep Products
Kentucky, LLC



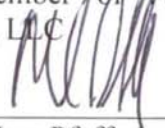
Name: Marc Pfefferle
Title: Chief Executive Officer

**HOLLANDER SLEEP PRODUCTS,
LLC,**
Sole Member of Pacific Coast Feather, LLC



Name: Marc Pfefferle
Title: Chief Executive Officer

PACIFIC COAST FEATHER, LLC,
Sole Member of Pacific Coast Feather
Cushion, LLC



Name: Marc Pfefferle
Title: Chief Executive Officer

Exhibit A to the Restructuring Support Agreement

Plan

[To Be Filed Separately]

Exhibit B to the Restructuring Support Agreement

DIP Term Loan Commitment Letter

[Omitted]

Exhibit C to the Restructuring Support Agreement

Exit Term Loan Commitment Letter

[Omitted]

Exhibit D to the Restructuring Support Agreement

Form of Transferee Joinder

Form of Transferee Joinder

This joinder (this “Joinder”) to the Restructuring Support Agreement (the “Agreement”), dated as of May 19, 2019, by and among: (i) Dream II Holdings, LLC together with certain of its direct and indirect subsidiaries (collectively, the “Company”); (ii) the Consenting Term Loan Lenders; and (iii) the Sponsor, is executed and delivered by [_____] (the “Joining Party”) as of [_____]. Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

39. 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 as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement and one or more of the entities comprising the Restructuring Support Parties.

40. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the Term Loan Claims identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 21 of the Agreement to each other Party.

41. Governing Law. This Joinder shall 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.

42. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]

[ADDRESS]

Attn:

Facsimile:

Email:

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:

Principal Amount of Term Loan Claims: \$ _____

Notice Address:

Fax:
Attention:
Email:

Annex 1 to the Form of Transferee Joinder

EXHIBIT B

Committees Organized Prepetition

No committees were organized prior to the order for relief.

EXHIBIT C

Consolidated List of the Holders of the Debtors’ 50 Largest Unsecured Claims

Pursuant to Local Rule 1007-2(a)(4), the following is a consolidated list of the Debtors’ creditors holding the 50 largest unsecured claims (the “Consolidated Creditor List”) based on the Debtors’ unaudited books and records as of the Petition Date. The Consolidated Creditor List has been prepared in accordance with Bankruptcy Rule 1007(d) and does not include (i) persons who come within the definition of “insider” set forth in section 101(31) of the Bankruptcy Code or (ii) secured creditors, unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 50 largest unsecured claims.

The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any such claim or debt. In the event of any inconsistencies between the summaries set forth below and the respective corporate and legal documents relating to such obligations, the descriptions in the corporate and legal documents shall control.

	Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim		
					Total claim, if partially secured	Deduction for value of collateral or setoff ¹	Unsecured Claim
1	Roind Hometex Co Ltd 3225 E Warm Springs Rd Las Vegas, NV 89120	Roind Hometex Co Ltd	Vendor				\$5,655,096.17
2	Funing Jincheng Home Textile Co Ltd Attn: Fn Group 5, Bisheng Neighborhood Committee Funing Economical Devt Zone Jiangsu, 224400 China	Funing Jincheng Home Textile Co Ltd Email: David.Qian@Fw-Textile.Com	Vendor				\$5,273,061.34
3	Invista Inc Attn: Boykin Bank of America P.O. Box, #742926 Atlanta, GA 30374-2926	Invista Inc Tel: 770-792-4192 Email: Danielle.Boykin@INVISTA.COM	Vendor				\$5,023,243.54
4	Hangzhou Chuangyuan Feather Co Ltd Attn: Fumingfang No 5 Xinda Rd Miaoja Village Hangzhou, Suoqian Town China	Hangzhou Chuangyuan Feather Co Ltd Email: fumingfang@cyfeather.cn	Vendor				\$5,001,799.50
5	Zhejiang Hengdi Bedding Co Ltd Attn: Terry Wang No 168 Hebeilou Fulou Village Xintang St Hangzhou China	Zhejiang Hengdi Bedding Co Ltd Email: WANGHR@MAIL.LQFEATHER.COM	Vendor				\$3,882,944.67
6	Zhejiang Liuqiao Home Textile Attn: Zhu Xinfeng Village-Xingtang St Zhejiang Hangzhou, 311201 China	Zhejiang Liuqiao Home Textile Email: amy715@mail.lqfeather.com	Vendor				\$3,465,270.30

¹ The Debtors reserve the right to assert setoff and other rights with respect to any of the claims listed herein.

	Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff ¹	Unsecured Claim
7	Wuhu Fine Textile International Trading Co Ltd Attn: Wan 321 Jingxi Rd Wanzhi Town China	Wuhu Fine Textile International Trading Co Ltd Email: Mandy@Ahfantai.Com	Vendor				\$3,419,367.45
8	Packaging Corp Of America Attn: Cerasuolo 36596 Treasury Center Chicago, IL 60694-6500	Packaging Corp Of America Tel: 514 239 3993 Email: Ceraldesign@Hotmail.Com	Vendor				\$3,341,952.45
9	Sun Fiber Sales LLC Attn: Clinton, Ar Contact Rosenthal & Rosenthal Inc P.O. Box 88926 Chicago, IL 60695-1926	Sun Fiber Sales LLC Email: STEFANIE.CLINTON@SUNFIBERLLC.COM	Vendor				\$2,694,931.13
10	Zhejiang Wanxiang Bedding Co Ltd Attn: Xu Wulian Xintang Xiaosgan Hangzhou Zhejiang China	Zhejiang Wanxiang Bedding Co Ltd Email: MXU@WXBEDDING.COM	Vendor				\$2,492,406.52
11	Wuxi Jielong Textile Co Ltd Attn: Xie Shuang Miao Economic & Development Zone Jiangsu Wuxi, 214187 China	Wuxi Jielong Textile Co Ltd Tel: 510-88086388 Email: jerry@wuxijielong.com	Vendor				\$2,418,091.03
12	Zhejiang Liuqiao Industrial Co Ltd Attn: Sheng 288 Dongkang Rd Xiaoshan District Hangzhou, Zhejiang China	Zhejiang Liuqiao Industrial Co Ltd Email: Shenzf@Mail.Lqfeather.Com	Vendor				\$2,189,154.55
13	Topocean Consolidation Services Attn: Wong 99 W Hawthorne Ave, Ste 604 Valley Stream, NY 11580	Topocean Consolidation Services Tel: 7910112 Email: WILWONG@TOPOCEAN.COM	Vendor				\$1,924,219.39
14	Nap Industries Inc 667 Kent Ave Brooklyn, NY 11249	Nap Industries Inc	Vendor				\$1,882,143.39
15	The Sea Feather Limited Company Of Luan Attn: Bian East Gaocheng Rd Economic Tech Devt Area Anhui, Luan 23716 1 China	The Sea Feather Limited Company Of Luan Email: tina.bian@theseafeather.com	Vendor				\$1,840,641.96
16	Hangzhou Huoju Down Products Co Ltd Attn: Wu Xintang Residential Community Xiaoshan District Hangzhou, Zhejiang China	Hangzhou Huoju Down Products Co Ltd Email: Hwjwf@Hzhjyr.Com	Vendor				\$1,719,436.11
17	Wujiang City Xinyi Textile Co Ltd Attn: Chen Daxie Village Bali Shengze (South Ring Rd 3) Jiangsu China	Wujiang City Xinyi Textile Co Ltd	Vendor				\$1,718,438.97
18	Anhui Rongdi Down Product Co Ltd Attn: Wei Fudu Industrial Park Anhui, Wuwei China	Anhui Rongdi Down Product Co Ltd Email: waf72211@sina.com	Vendor				\$1,673,141.00
19	Elite Comfort Solutions LLC Attn: Griffith P.O. Box 603397 Charlotte, NC 28260-3397	Elite Comfort Solutions LLC Tel: 770-683-8271 Email: pgriffith@elitefoam.com	Vendor				\$1,506,538.35
20	Span America Attn: Jackson 70 Commerce Center Greenville, SC 29615	Span America Tel: 678-6978 Email: Cjackson@Spanamerica.Com	Vendor				\$1,440,880.78
21	Stein Fibers Ltd Attn: Sprague, Sales P.O. Box 714522 Cincinnati, OH 45271-4522	Stein Fibers Ltd Tel: 599-2804 Email: Richard@steinfibers.com	Vendor				\$1,225,238.09

	Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim		
					Total claim, if partially secured	Deduction for value of collateral or setoff ¹	Unsecured Claim
22	Cixi Jiangnan Chemical Fiber 159 Lingqiao Rd Ningbo China	Cixi Jiangnan Chemical Fiber	Vendor				\$1,217,846.96
23	Qingdao Fuyuan Arts & Crafts Co Ltd Attn: Cathy Rm 419 No 97 Fuzhou South Rd Qingdao, China	Qingdao Fuyuan Arts & Crafts Co Ltd Email: cathy@qd-fuyuan.com	Vendor				\$1,120,319.13
24	Be Be Jan Pakistan Limited Attn: Bebe Square No 7 Chak No R.B Faisalabad Pakistan	Be Be Jan Pakistan Limited Email: bebe@hollander.com	Vendor				\$1,017,821.47
25	Wuxi Yinxin Printing Co Ltd Attn: Ma Qian Lane Luoshe Town, Wuxi City Jiangsu Province China	Wuxi Yinxin Printing Co Ltd Email: Evanma@Wuxiyinxin.Com	Vendor				\$1,010,717.02
26	Nan Ya Plastics Corporation America P.O. Box 402634 Atlanta, GA 30384	Nan Ya Plastics Corporation America	Vendor				\$904,004.64
27	International Paper (Edi) Attn: Davis 6211 Descanso Ave Buena Park, CA 90620	International Paper (Edi) Tel: 512-0404 Email: mary.davis1@ipaper.com	Vendor				\$797,481.18
28	Domfoam Inc Attn: Sansalone 8785 Boul Langelier St Leonard, QC H1P 2C9 Canada	Domfoam Inc Tel: 325-8120 Email: Julie@Domfoam.Com	Vendor				\$760,385.44
29	Hangzhou Huaying Xintang Down Xixu Village Xintang St, Xiaosha Hangzhou, Zhejiang Province China	Hangzhou Huaying Xintang Down	Vendor				\$758,683.47
30	Oracle America Inc Attn: Oracle America Inc P.O. Box 203448 Dallas, TX 75320-3448	Oracle America Inc	Vendor				\$732,377.25
31	Kuehne & Nagel Attn: Kirlaw 77 Foster Crescent Mississauga, ON L5R 0K1 Canada	Kuehne & Nagel Tel: 502-4173 Email: Paulette.Kirlaw@Huehne-Nagel.Com	Vendor				\$687,576.17
32	US CBP 1300 Pennsylvania Ave Nw Washington, DC 20229	US CBP Tel: 1 (877) CBP-5511	Vendor				\$666,199.63
33	Kapstone Container Corp Attn: Brest, Strategic Account Manager 2370 Sullivan Rd College Park, GA 30337	Kapstone Container Corp Tel: 935.8526 Email: mike.brest@kapstonepaper.com	Vendor				\$658,087.04
34	C H Robinson P.O. Box 9121 Minneapolis, MN 55480-9121	C H Robinson	Vendor				\$611,420.25
35	AV Logistics LLC Attn: Palencia P.O. Box 5657 Carol Stream, IL 60197-5657	AV Logistics LLC Tel: 6440936 Email: SPALENCIA@AV-LOGISTICS.COM	Vendor				\$498,586.22
36	Shi International P.O. Box 952121 Dallas, TX 75395-2121	Shi International	Vendor				\$410,744.40
37	Invista Canada P.O. Box B2918U P.O. Box 11585 Montreal, QC H3C 5N7 Canada	Invista Canada Tel: 821-5954 Email: A/R - CHRISTINE	Vendor				\$408,263.53

	Name of creditor and complete mailing address, including zip code	Name, telephone number and email address of creditor contact	Nature of claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of claim		
					Total claim, if partially secured	Deduction for value of collateral or setoff ¹	Unsecured Claim
38	Zhejiang Saifang Textile Technology Co Ltd Attn: Tang Santou Cun Industrial Park Zhejiang Daicun Town, Hangzhou China	Zhejiang Saifang Textile Technology Co Ltd Email: jasontang@hzsaifang.com	Vendor				\$387,987.72
39	Invista S.A.R.L. 7813 Collections Ctr. Dr Chicago, IL 60693-7913	Invista S.A.R.L.	Vendor				\$336,341.12
40	Progress Container & Display Attn: Markham 635 Patrick Mill Rd Sw Winder, GA 30680	Progress Container & Display Tel: 4252071 Email: TMARKHAM@PROGRESSCONTAINER.COM	Vendor				\$297,160.19
41	Strands Textile Mills Pvt Ltd Attn: Sharma Plot 3 270-271 Sector 4 Gandhidham Guja, 370230 India	Strands Textile Mills Pvt Ltd Email: MERCHANT@STRANDSTEXTILE.COM	Vendor				\$283,940.75
42	Exeter 25 Keystone LLC 101 West Elm Street, Suite 600 Conshohocken PA 19428	Exeter 25 Keystone LLC	Vendor				\$276,975.59
43	Printcraft Co Inc 259 City Lake Rd Lexington, NC 27293	Printcraft Co Inc	Vendor				\$270,188.50
44	Jasztex Fiber Inc Attn: Jakubik, Ar Contact 61 Hymus Ponte-Claire, QC H9R 1E2 Canada	Jasztex Fiber Inc Tel: 697-3096 Email: NATHALIE@JASZTEX.COM	Vendor				\$260,513.71
45	Kamyk Daunen S.R.O. Kamyk Nad Vitavou Cp 179 Pribram, S 262063 Czech Republic	Kamyk Daunen S.R.O.	Vendor				\$254,578.05
46	Navarpluma S.L. Poligono Industrial Arazuri Orcoyen Arazuri, 31170 Spain	Navarpluma S.L.	Vendor				\$244,576.44
47	Majestic/Amb Pico Rivera Assoc Llc 13191 Crossroads Pkwy North City of Industry, CA 91746-3497	Majestic/Amb Pico Rivera Assoc Llc	Vendor				\$238,286.35
48	Polypack Corporation Ltd Attn: Cataldo, General Manager 7900 E Jarry St Montreal, QC H1J 1H1 Canada	Polypack Corporation Ltd Tel: 353-1710 Email: phil500cataldo@gmail.com	Vendor				\$227,485.81
49	Atlas Feather Processing Corp 64 Greenpoint Ave Brooklyn, NY 11222-1504	Atlas Feather Processing Corp	Vendor				\$204,766.17
50	Dusobox Corporation 2501 Investors Row, Ste 500 Orlando, FL 32837	Dusobox Corporation Tel: 800-393-5120	Vendor				\$204,685.78

EXHIBIT D

Consolidated List of the Holders of the Debtors' Five Largest Secured Claims

Pursuant to Local Rule 1007-2(a)(5), the following is a list of creditors holding the five largest secured claims against the Debtors, on a consolidated basis, as of April 30, 2019.

The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any such claim or debt. The descriptions of the collateral securing the underlying obligations are intended only as brief summaries. In the event of any inconsistencies between the summaries set forth below and the respective corporate and legal documents relating to such obligations, the descriptions in the corporate and legal documents shall control.

	Name of Creditor	Creditor Name, and complete mailing address, including zip code of employee, agents, or department of creditor familiar with claim who may be contacted	Approximate Amount of Claim (as of April 30, 2019)	Collateral Description and Value
1.	Secured Term Loan Lenders	Barings Finance LLC 550 South Tryon Street, Suite 3300 Charlotte, NC 28202	\$166.5 million	Substantially all assets subject to customary exclusions.
2.	ABL Lenders	Wells Fargo Bank, National Association 2450 Colorado Avenue, Suite 3000 West Santa Monica, CA 90404	\$63 million	Substantially all assets subject to customary exclusions.
3.	Letter of Credit	Hartford Fire Insurance Company One Hartford Plaza Hartford, CT 06155	\$3.0 million	Substantially all assets subject to customary exclusions.
4.	Letter of Credit	Berkley Insurance Company c/o Berkley Surety 412 Mount Kemble Ave., Suite 310N Morristown, NJ 07960	\$950,000	Substantially all assets subject to customary exclusions.
5.	IBM Credit LLC	IBM Corporation 3039 Cornwallis Road Research Triangle Park, NC 27709	\$641,327	Specified computer hardware.

EXHIBIT E

Summary of the Debtors' Assets and Liabilities

Pursuant to Local Rule 1007-2(a)(6), the following are estimates of the Debtors' total assets and liabilities on a consolidated basis. The following financial data is the latest available information and reflects the Debtors' financial condition, as consolidated with its affiliated Debtors and non-Debtors as of April 30, 2019.

The information contained herein shall not constitute an admission of liability by, nor is it binding on, the Debtors. The Debtors reserve all rights to assert that any debt or claim included herein is a disputed claim or debt, and to challenge the priority, nature, amount, or status of any such claim or debt.

Assets and Liabilities	Amount
Total Assets (Book Value as of April 30, 2019)	\$287.5 million
Total Liabilities (Book Value as of April 30, 2019)	\$349.0 million

EXHIBIT F

Summary of the Publicly Held Securities of the Debtors

Pursuant to Local Rule 1007-2(a)(7), the following lists the number and classes of shares of stock, debentures, or other securities of the Debtors that are publicly held, and the number of holders thereof as of the Petition Date.

None.

Pursuant to Local Rule 1007-2(a)(7), the following lists the number and classes of shares of stock of Debtors that are publicly held by the Debtors' officers and directors as of the Petition Date.

None.

EXHIBIT G

Summary of Debtors' Property Held by Third Parties

Pursuant to Local Rule 1007-2(a)(8), the following lists the Debtors' property, as of the May 15, 2019, that is in the possession or custody of any custodian, public officer, mortgagee, pledge, assignee of rents, secured creditor, or agent for any such entity.

Certain property of the Debtors is likely to be in the possession of various other persons, including maintenance providers, shippers, common carriers, materialmen, custodians, public officers, mortgagees, pledges, assignees of rents, secured creditors, or agents. Through these arrangements, the Debtors' ownership interest is not affected. In light of the movement of this property, providing a comprehensive list of the persons or entities in possession of the property, their addresses and telephone numbers, and the location of any court proceeding affecting such property would be impractical. The Debtors estimate that (a) the value of goods held in third-party warehouses is approximately \$178,284.34; (b) the value of goods in transit is approximately \$5.7 million; (c) the aggregate value of lease security deposits is approximately \$469,691; and (d) the aggregate value of utilities provider deposits is approximately \$218,685.

EXHIBIT H

Summary of Debtors' Property from Which the Debtors Operate Their Business

Pursuant to Local Rule 1007-2(a)(9), the following lists the location of the premises owned, leased, or held under other arrangement from which the Debtors operate their business as of the Petition Date.

Property Address	City	State	Country	Owned or Leased
Hollander Sleep Products, LLC				
<i>Sales Offices</i>				
902B South Walton Blvd., Suite 29	Bentonville	AR	USA	Leased
10608 Watterson Center Ct. #200	Louisville	KY	USA	Leased
9933 Lawler Avenue, Suite 205	Skokie	IL	USA	Leased
<i>Corporate Office</i>				
901 Yamato Road, Suites 200 & 250	Boca Raton	FL	USA	Leased
<i>Plants</i>				
601-615 West Walnut Factory	Compton	CA	USA	Leased
2615 Gifford Street	Grand Prairie	TX	USA	Leased
3301 Stagecoach Road, NE	Thompson	GA	USA	Leased
10401 Bunsen Way/2109 Carton Drive	Louisville	KY	USA	Leased
660 National Turnpike	Munfordville	KY	USA	Leased
25 Keystone Blvd.	Pottsville	PA	USA	Leased
8500 Rex Road	Pico Rivera	CA	USA	Leased
100 Comfort Drive	Henderson	NC	USA	Leased
1725 East Maple Street	Maquoketa	IA	USA	Leased
<i>Show Room</i>				
440 Park Avenue South, 10th Floor	New York City	NY	USA	Leased
<i>Warehouses</i>				
2102 Production Drive	Louisville	KY	USA	Leased
100 Quality	Munfordville	KY	USA	Leased
1204 East Summit Street	Maquoketa	IA	USA	Leased
<i>Foreign Lease</i>				
Ghodbunder Road	Maharashtra	N/A	India	Leased
Hollander Sleep Products Canada Limited				
<i>Sales Office</i>				
420 Britannia Road	Toronto	ON	Canada	Leased
<i>Plants</i>				
724 Caledonia Road Factory	Toronto	ON	Canada	Leased
5415 Cote de Liesse	Montreal	QB	Canada	Leased
5435/5445/5455 Cote de Liesse	Montreal	QB	Canada	Leased
Pacific Coast Feather, LLC				
<i>Office</i>				
1736 4th Avenue South	Seattle	WA	USA	Leased

<i>Warehouse</i>				
220 Miriam Street	Henderson	NC	USA	Owned
Pacific Coast Feather Cushion, LLC				
<i>Plants</i>				
210 Pendleton Street	High Point	NC	USA	Leased
7600 Industry Avenue	Pico Rivera	CA	USA	Leased

EXHIBIT I

**Location of the Debtors' Substantial Assets,
Books and Records, and Nature and Location of Debtors' Assets Outside the United States**

Pursuant to Local Rule 1007-2(a)(10), the following provides the location of the Debtors' substantial assets, books and records, and the nature, location, and value of any assets held by the Debtors outside the territorial limits of the United States as of the Petition Date.

Debtors' Assets	Location
Books and records; plant & leased office space and various FF&E	724 Caledonia Road Toronto, Ontario M6B 3X7
Books and records; leased office space and various FF&E	420 Britannia Road Mississauga, Ontario L4Z 3L5
Books and records; plant & leased office space and various FF&E	5415 Cote De Liesse St-Laurent, Quebec H4P 1A1
Books and records; plant & leased office space and various FF&E	5435/5445/5455 Cote de Liesse St-Laurent, Quebec H4P 1A1
Books and records; leased office space and various FF&E	Ghodbunder Road Maharashtra, India 431104

EXHIBIT J

Summary of Legal Actions Against the Debtors

Pursuant to Local Rule 1007-2(a)(11), to the best of the Debtors' knowledge, belief, and understanding, there are no material actions or proceedings pending or threatened against the Debtors or their properties where a judgment against the Debtors or a seizure of their property may be imminent as of the Petition Date.

EXHIBIT K

Debtors’ Senior Management

Pursuant to Local Rule 1007-2(a)(12), the following provides the names of the individuals who constitute the Debtors’ existing senior management, their tenure with the Debtors, and a brief summary of their responsibilities and relevant experience as of the Petition Date.

Name/Position	Relevant Experience/ Responsibility	Tenure
<p>Marc Pfefferle Chief Executive Officer</p>	<p>Mr. Pfefferle has been the CEO of Dream II Holdings, LLC since March 28, 2019.</p> <p>Mr. Pfefferle is also a partner at Carl Marks Advisors (“<u>Carl Marks</u>”). His primary areas of focus include, interim management, the development and evaluation of strategic business plans, the assessment of bankruptcy planning and strategy, and the development and negotiation of recapitalization strategies and refinancing plans, as well as plans of reorganization. Mr. Pfefferle has worked with companies across a variety of industries, including consumer products, manufacturing, retail, and distribution related businesses.</p> <p>Before joining Carl Marks in 1992, Mr. Pfefferle was a partner with Marigold Associates, a strategic management consulting firm serving Fortune 100 companies. Previously he was a consulting manager for Price Waterhouse LLP.</p> <p>Mr. Pfefferle holds a bachelor’s degree in engineering and a master’s degree in business administration from Lehigh University. He also serves on the board of Precision Combustion.</p>	<p>2 months.</p>
<p>Steve Cumbow Chief Financial Officer</p>	<p>Mr. Cumbow has been the CFO of Dream II Holdings, LLC since August 2018.</p>	<p>9 months.</p>

	<p>Mr. Cumbow has also been an operating partner at Sentinel Capital Partners (“<u>Sentinel</u>”) since 2015. Prior to becoming an operating partner at Sentinel, Mr. Cumbow worked as a CFO at one of Sentinel’s portfolio companies. Prior to joining Sentinel, Mr. Cumbow was a member of the operations team at American Capital, where he served as COO and CFO of two of its portfolio companies. Mr. Cumbow has also served as a CFO and finance director of two Clayton, Dubilier & Rice portfolio companies. Previously, he was a managing director at Nachman Hays Brownstein, Inc., a nationally recognized turnaround firm.</p> <p>Mr. Cumbow has a bachelor’s degree in mechanical engineering from the University of Kansas and a master’s degree in business administration from Loyola University. Mr. Cumbow is a Certified Turnaround Professional.</p>	
<p>Chris Baker Executive Chairman</p>	<p>Mr. Baker has been the Executive Chairman of Dream II Holdings, LLC since March 2019.</p> <p>Mr. Baker has an extensive history in corporate management, dating back to 1984. He has served in management roles at Mailcode Inc., Pitney Bowes Group 1 Software, 360insights.com, Public Media Apps, and SoftServe.</p> <p>Mr. Baker has a bachelor’s degree in electrical engineering technology from Purdue University.</p>	<p>2 months (in current capacity).</p>
<p>Eric D. Bommer President</p>	<p>Mr. Bommer has been the President of Dream II Holdings, LLC since October 2014.</p> <p>Mr. Bommer is a partner at Sentinel, where he has worked since 1997. Prior to joining Sentinel, Mr. Bommer worked as</p>	<p>4 years, 7 months.</p>

	<p>an associate at Kaizen Breakthrough Partnership, a private equity fund that specialized in investing in underperforming midmarket companies. From 1993 to 1995, he was an analyst in the Investment Banking Division of CS First Boston. From 1992 to 1993, Mr. Bommer was a financial analyst at LaSalle Partners.</p> <p>Mr. Bommer currently serves on the board of directors for six Sentinel companies, including Dream II Holdings, LLC.</p> <p>Mr. Bommer has a bachelor's degree in business economics and organizational behavior from Brown University.</p>	
<p>Michael J. Fabian Vice President and Treasurer</p>	<p>Mr. Fabian has been the Vice President and Treasurer of Dream II Holdings, LLC since October 2014.</p> <p>Mr. Fabian is a partner at Sentinel, where he has worked since 2006. Prior to joining Sentinel, Mr. Fabian worked as an associate at Blue Point Capital Partners, a lower middle market private equity firm. Previously, he was an associate at Brown, Gibbons, Lang & Co., a middle market investment banking firm, an analyst at Deutsche Banc Alex Brown, and an analyst at Conway, DelGenio, Gries & Co., a restructuring advisory boutique.</p> <p>Mr. Fabian currently serves on the board of directors for seven companies, including Dream II Holdings, LLC.</p> <p>Mr. Fabian has a bachelor's degree in business administration from the University of Notre Dame and a master's degree in economics from New York University.</p>	<p>4 years, 7 months.</p>

EXHIBIT L

**Debtors' Payroll for the 30 Day Period
Following the Filing of the Debtors' Chapter 11 Petitions**

Pursuant to Local Rules 1007-2(b)(1)-(2)(A) and (C), the following provides, for the 30-day period following the Petition Date, the estimated amount of weekly payroll to the Debtors' employees (exclusive of officers, directors, and stockholders), the estimated amount paid and proposed to be paid to officers, stockholders, and directors, and the amount paid or proposed to be paid to financial and business consultants retained by Debtors.

Payments	Payment Amount
Payments to employees (not including officers, directors, and stockholders)	\$7 million
Payments to officers, directors, and stockholders	\$7,700
Payments to financial and business consultants	\$0

EXHIBIT M

**Debtors' Estimated Cash Receipts and Disbursements
for the Thirty (30) Day Period Following the Filing of the Chapter 11 Petitions**

Pursuant to Local Rule 1007-2(b)(3), the following provides, for the 30-day period following the Petition Date, the Debtors' estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue that remain unpaid, other than professional fees.

Type	Amount
Cash Receipts	\$30.0 million
Cash Disbursements	\$48.2 million
Net Cash Loss	\$(18.2) million
Unpaid Obligations (excluding professional fees)	\$6.0 million
Unpaid Receivables (excluding professional fees)	\$45.0 million