

CANADIAN FORBEARANCE AGREEMENT

This CANADIAN FORBEARANCE AGREEMENT, dated as of March 3, 2017 (this "Agreement"), by and among BCBG MAX AZRIA GROUP, LLC, a Delaware limited liability company (the "Company"), BCBG MAX AZRIA CANADA INC., a Canadian corporation (the "Canadian Borrower" and, together with the Company, collectively, the "Borrowers" and, individually, each a "Borrower"), BCBG MAX AZRIA INTERMEDIATE HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), each other Guarantor party to the Loan Agreement (as hereinafter defined) as of the date hereof, the undersigned Lenders party to the Loan Agreement (as hereinafter defined) as of the date hereof, BANK OF AMERICA, N.A., as Administrative Agent and Issuing Bank, BANK OF AMERICA, N.A. (acting through its Canada branch), as Canadian Agent and Issuing Bank and BANK OF AMERICA, N.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION, each as a Co-Collateral Agent, and the other parties hereto, is entered into with respect to that certain Second Amended and Restated Loan Agreement, dated as of February 5, 2015 (as amended by that certain First Amendment to Second Amended and Restated Loan Agreement, dated as of August 12, 2016, as further amended from time to time, the "Loan Agreement"), among the Borrowers, Holdings, the Guarantors from time to time party thereto, each Lender from time to time party thereto, the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the Issuing Banks party thereto.

Any capitalized term used herein and not defined herein shall have the meaning assigned to such term in the Loan Agreement or in the US ABL DIP Agreement (as defined herein); provided, however, that the term "Loan Documents" shall include the Senior Secured Super-Priority Debtor-In-Possession Loan Agreement dated as of on or about the date hereof between, among others the Company, Holdings, the other guarantors party thereto, the lenders party thereto, Bank of America, N.A. as Administrative Agent, Bank of America, N.A. and Wells Fargo Bank, N.A., as Co-Collateral Agents (the "US ABL DIP Agreement").

RECITALS

WHEREAS, the Borrowers and the other Obligor have informed the Agents, the Co-Collateral Agents, the Lenders and the Issuing Banks (collectively, the "Lender Parties") that the Events of Default set forth on Schedule A attached hereto have occurred and are continuing as of the date hereof (such Events of Default being collectively referred to herein as the "Existing Defaults"); and

WHEREAS, the Company and certain of its affiliates, other than the Canadian Borrower, intend to commence proceedings under Chapter 11 of the United States Bankruptcy Code (the "Chapter 11 Proceedings") in the United States Bankruptcy Court for the District of Delaware (the "US Court") to implement (a) that certain letter agreement governing inventory disposition, dated on or about February 1, 2017 (including any necessary amendments thereto acceptable to the Administrative Agent) with Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC (collectively, the "US Liquidation Agent"), providing for the liquidation of certain retail locations of the Company and its affiliates, other than the Canadian Borrower, and (b) a sale and investment solicitation process; and

WHEREAS, Deloitte Restructuring Inc. will act as Proposal Trustee (in such capacity, the "Proposal Trustee") in proceedings (the "BIA Proceedings") under Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) ("BIA") commenced in the Quebec Superior Court (Commercial Division) (the "Canadian Court"), which BIA Proceedings are intended to be commenced to implement (i) a liquidation of all Canadian standalone retail locations of the Canadian Borrower (the "Canadian Liquidation"); and (ii) the restructuring of the partner shop business (the "Partner Shop Business") of the Canadian Borrower (the "Partner Shop Restructuring"); and

WHEREAS, in connection with the Canadian Liquidation, Merchant Retail Solutions, ULC and Gordon Brothers Canada ULC (collectively, the "Canadian Liquidation Agent") and, together with the US Liquidation Agent, the "Liquidation Agent"), have been retained to provide consulting services pursuant to an agreement with the Canadian Borrower dated February 24, 2017 (the "Liquidation Services Agreement"); and

WHEREAS, the Canadian Liquidation, the Partner Shop Restructuring, the BIA Proceedings, and the Chapter 11 Proceedings would be further additional Events of Default (the "Anticipated Defaults") and, together with the Existing Defaults, the "Specified Defaults"); and

WHEREAS, the Borrowers and the other Obligors acknowledge and agree that, it is a condition precedent to the Borrowers' right to request, and the Lenders' and Issuing Banks' respective obligations to make available, Loans and Letters of Credit that no Default or Event of Default shall then exist and that as a result of the existence of the Existing Defaults (and also upon the occurrence of the Anticipated Defaults), the Lenders and the Issuing Banks are under no obligation to make any Loans available or to issue any Letters of Credit for the account of the Borrowers or any other Obligor and that any such Loans that the Lenders may make, and any Letters of Credit that the Issuing Banks may issue, are made and issued, as the case may be, solely on the terms set out herein in the case of the Canadian Borrower and solely on the terms of the US ABL DIP Agreement in the case of any parties other than the Canadian Borrower; and

WHEREAS, the Borrowers and the other Obligors acknowledge and agree that, but for the terms of this Agreement, the Lender Parties could, if they so elected, proceed to further enforce their rights and exercise any and all remedies available to the Lender Parties under the Loan Agreement, the other Loan Documents and Applicable Law (such rights and remedies, collectively, the "Remedies") to collect the Canadian Borrower's indebtedness to the Lender Parties under the Loan Agreement and the other Loan Documents, including by declaring all of the Obligations of the Canadian Borrower under the Loan Documents immediately due and payable by the Canadian Borrower, and that the Obligors have no defense to the Lender Parties' enforcement and exercise of their Remedies; and

WHEREAS, the Borrowers and the other Obligors have requested that the Lender Parties agree to (a) forbear, for a limited period, from enforcing and exercising their Remedies under the Loan Agreement, the other Loan Documents and Applicable Law against the Canadian Borrower with respect to the indebtedness of the Canadian Borrower in connection with the Specified Defaults, and (b) make other concessions to the Obligors as set forth herein; and

WHEREAS, the Lender Parties are willing to (a) forbear, for a limited period, from enforcing and exercising their Remedies under the Loan Agreement, the other Loan Documents

and Applicable Law with respect to the indebtedness of the Canadian Borrower in connection with the Specified Defaults, and (b) make other concessions to the Obligors (clauses (a) through (b), collectively, the “Obligors’ Benefits”), all on the terms and conditions contained herein, each of which term and condition, individually and in the aggregate, and including the performance thereof by the Borrowers and the other Obligors, constitute the consideration to the Lender Parties for entering into this Agreement, and in the absence of any of which the Lender Parties would not have entered into this Agreement or otherwise extended to the Canadian Borrower and the other Obligors the Obligors’ Benefits; and

WHEREAS, the Canadian Borrower and the other Obligors acknowledge and agree that the Obligors’ Benefits hereunder are of immediate and material benefit, financial and otherwise, to the Canadian Borrower and the other Obligors, and that neither the Agents, Co-Collateral Agents, Lenders, or Issuing Banks were or are under any obligation to extend to the Canadian Borrower or the other Obligors the Obligors’ Benefits provided hereunder.

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Acknowledgments by the Obligors.

(a) The Canadian Borrower and each other Obligor hereby acknowledges and agrees that (i) as at February 24, 2017, the outstanding aggregate principal balance of the Canadian Revolver Loans totaled Cdn. \$13,483,923.88, exclusive of accrued interest, and any other fees (including attorneys’ fees), costs, expenses or amounts chargeable to the Canadian Borrower under the Loan Documents; (ii) the Existing Defaults have occurred and are continuing, as set forth in the Recitals; and (iii) as a result of the occurrence of the Existing Defaults, either Agent (in its discretion, or, upon the written direction of the Required Lenders or the Voting Collateral Agent, as the case may be) may (x) declare all of the Canadian Obligations due and payable by the Canadian Borrower and the other Obligors and (y) exercise any and all of their respective rights and remedies under the Loan Documents or otherwise available under Applicable Law and in equity with respect thereto.

(b) Each Obligor acknowledges and agrees that the forbearance provided herein shall not in any manner limit or restrict any rights or remedies available to the Lender Parties under the Loan Agreement, the other Loan Documents or under Applicable Law as a result of any Event of Default now or hereafter existing other than solely against the Canadian Borrower with respect to the Specified Defaults during the Forbearance Period (as hereinafter defined) only. Each Obligor agrees that the Obligations of the Canadian Borrower and the other Obligors to the Lender Parties and the other Lender Parties as evidenced by or otherwise arising under the Loan Agreement and the other Loan Documents, except as expressly modified in this Agreement upon the terms set forth herein, are, by the Obligors’ execution of this Agreement, ratified and confirmed in all respects, and the Obligors confirm that the Obligations are not subject to any claims or defenses whatsoever.

(c) The Canadian Borrower (i) agrees to, and to cause its officers, directors, accountants, Affiliates and other representatives to, fully and timely cooperate with the Agents and Lenders and their agents, representatives or independent contractors in the exercise of their

respective rights under Section 10.1.1 of the Loan Agreement, and (ii) acknowledges that, as a result of the occurrence and continuance of the Existing Defaults and also, upon their occurrence, the Specified Defaults (and notwithstanding the amendments to the Loan Agreement or the forbearance provided herein), (x) the Agents (or their agents) may at any time, and as frequently as required by each Agent in its sole discretion, visit and inspect the Properties of the Canadian Borrower, conduct field examinations and Inventory appraisals, inspect, audit and make extracts from the Canadian Borrower's books and records, and discuss with the Canadian Borrower's officers, employees, agents, advisors and independent accountants the Canadian Borrower's business, financial condition, assets, prospects, results of operations and the Canadian Liquidation, and (y) all visits, inspections and appraisals under Section 10.1.1 of the Loan Agreement shall be at the sole expense of the Obligors. Each Obligor acknowledges and agrees that the Lenders may participate in any such visit or inspection.

2. Default Rate. The Canadian Borrower acknowledges and agrees that, effective as of the date hereof, (x) the Required Lenders have elected to apply the Default Rate interest as a result of the occurrence and continuance of the Existing Defaults and (y) from the date hereof until the date that the Specified Defaults are permanently waived hereafter in writing by the Agents and the Lenders and no other Events of Default are occurring and continuing, all Obligations shall bear interest at the Default Rate (that is, at a rate that is 2% per annum in excess of the interest rate or fee rate otherwise applicable under the Loan Agreement if no Event of Default was continuing).

3. Forbearance Arrangements.

(a) Forbearance. During (but only during) the period (such period being hereafter referred to as the "Forbearance Period") commencing on the Effective Date (as hereinafter defined) and ending on that date (the "Forbearance Termination Date") on which the Administrative Agent or Required Lenders have given written notice terminating the Forbearance Period, which notice may be given on or after the date which is the earliest to occur of the following: (i) May 31, 2017, (ii) the occurrence of any Event of Default under the Loan Documents (other than the Specified Defaults), including, without limitation, an Event of Default under this Agreement as set forth in Section 5 hereof, (iii) the date that any Obligor or any Subsidiary or other Affiliate of any Obligor, or any person or entity claiming by or through either any Obligor or any Subsidiary or other Affiliate of any Obligor, commences, joins in, assists, cooperates or participates as an adverse party or adverse witness in any suit or other proceeding against any Secured Party or any Affiliate of any Secured Party, relating to the Obligations or any of the transactions contemplated by the Loan Agreement, the other Loan Documents, this Agreement or any other documents, agreements or instruments executed in connection therewith or with this Agreement, (iv) upon notice of termination delivered by either the Administrative Agent or the Required Lenders, if any representation or warranty set forth in Section 7 is untrue, incorrect or misleading in any material respect when given, (v) any order shall be sought by an Obligor or be entered in a proceeding relating to any Obligor in a Chapter 11 bankruptcy proceeding in the U.S. Bankruptcy Court, including the Chapter 11 Proceedings, that shall not be acceptable to the Agents, (vi) any Event of Default (as defined in the US ABL DIP Agreement) occurs, or (vii) or any other Additional Terminating Event (as defined below) occurs (collectively, the "Forbearance Terminating Events"), the Lender Parties party hereto will forbear from enforcing and exercising their Remedies under the Loan Agreement, the other Loan

Documents and Applicable Law against the Canadian Borrower with respect to the Specified Defaults.

“Additional Terminating Event” means:

- i. the Canadian Borrower creates, incurs, assumes or permits to exist any Lien on any of its property, undertaking or assets now owned or hereafter acquired or the Canadian Court makes any order declaring that all or part of the Canadian Borrower’s property is subject to a charge in favour of any party other than the Agents and such Lien or court ordered charge purports to rank in any manner whatsoever in priority to or *pari passu* with any claim or interest of the Agents under their Liens, other than Permitted Liens and any court-ordered charge(s) approved by the Agents and granted by the Canadian Court in the BIA Proceedings;
- ii. if, on or after the date of this Agreement (a) the BIA Proceedings or the Chapter 11 Proceedings are terminated without the prior or concurrent consent of the Agents; (b) any order of the Canadian Court is sought by the Canadian Borrower or any other Obligor or granted by the Canadian Court that is not acceptable to the Agents; or (c) the Canadian Preliminary Order (as defined below) is not granted on terms satisfactory to the Agent on or before March 6, 2017 or the Canadian Preliminary Order is subsequently amended, vacated or stayed or subject to a motion seeking a stay or leave to appeal;
- iii. the Proposal Trustee reports to the Canadian Court information indicating that there has been a material adverse change in respect of the Canadian Borrower, the BIA Proceedings or the Canadian Liquidation;
- iv. the Liquidation Services Agreement is terminated or amended without the consent of the Agents;
- v. if any representation, warranty or other statement made or deemed to be made by the Canadian Borrower or any other Obligor in this Agreement, or instruments to be delivered to the Agent and the Lender as contemplated by this Agreement is untrue in any material respect;
- vi. if, other than the BIA Proceedings, any action is taken by or against or consented to by the Canadian Borrower to (a) institute proceedings to be liquidated, adjudicated a bankrupt or insolvent; (b) consent to the institution of liquidation, bankruptcy, insolvency or similar proceedings against the Canadian Borrower; (c) file a petition (or similar action or proceeding) or consent to a petition (or similar proceeding) seeking reorganization, arrangement, or relief from creditors, or (d) take or commence any other steps or proceedings under any one or more of the applicable insolvency, liquidation, bankruptcy or analogous statutes or laws, unless the Agents consent thereto;

- vii. if any creditor or encumbrancer of the Canadian Borrower takes possession of any of its property or assets, or if distress or execution or any similar process is levied or enforced against the Canadian Borrower's property or assets;
- viii. if any liability arises or event occurs, including any change in the business, assets or conditions, financial or otherwise, of the Canadian Borrower that will, in any Agent's judgment, acting reasonably, materially further impair the Canadian Borrower's financial condition, operations or ability to comply with its obligations under this Agreement, the Loan Agreement or the other Loan Documents or carry out the Canadian Liquidation in a manner reasonably acceptable to the Agents;
- ix. if any step is taken or event occurs that would materially prejudice or jeopardize the Agents' or the Lenders' priority rights with respect to the Collateral; or
- x. if the stay imposed under the BIA Proceedings is lifted, in whole or in part, is terminated or lapses without extension, unless the Agents consent thereto

(b) Expiration of Forbearance Period. Upon the Forbearance Termination Date, (i) the Lender Parties' agreement to forbear from enforcing their rights and exercising their remedies against the Canadian Borrower with respect to the Specified Defaults contained herein shall automatically, and without any further action, notice or demand or any other occurrence terminate, and (ii) the Lender Parties shall be free in their sole and absolute discretion to proceed to enforce any or all of their rights and exercise any or all of their remedies available under the Loan Agreement, the other Loan Documents and Applicable Law in respect of the Canadian Borrower (and, for greater certainty, the other Obligors in respect of the Canadian Obligations), including without limitation, those rights and remedies arising by virtue of the occurrence of the Specified Defaults, and each of the Obligors hereby waives notice thereof. The Obligors acknowledge and agree that during the Forbearance Period, the Specified Defaults shall be existing and continuing until waived, released or extinguished by the Agents and the Lenders.

(c) Effect and Construction of Forbearance.

- i. Except as otherwise expressly provided herein, the Loan Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms in respect of the Canadian Revolving Loans and the other Canadian Obligations, and neither this Agreement nor the making of any Canadian Revolving Loans or other extensions of credit simultaneously herewith or subsequent hereto or the entry of certain of the Obligors into the US ABL DIP Agreement shall be construed to: (i) impair the validity, perfection or priority of any Lien or security interest securing the Obligations, including the Canadian Obligations; (ii) waive or impair any rights, powers or remedies of the Lender Parties under the Loan Agreement, the other Loan Documents or Applicable Law upon the Forbearance Termination Date, with respect to

the Specified Defaults or otherwise; (iii) constitute an agreement by the Lender Parties or require the Lender Parties to extend the Forbearance Period or further forbear from exercising their rights and remedies under the Loan Agreement, the other Loan Documents or Applicable Law, extend the term of the Loan Agreement or the time for payment of any of the Obligations; (iv) require the Lender Parties to make any Loans, issue, extend, renew or amend any Letter of Credit or make any other extensions of credit to the Borrowers, other than in respect of the Canadian Revolving Loans as expressly provided herein; or (v) constitute a waiver of any right of the Lender Parties to insist on strict compliance by the Obligors with each and every term, condition and covenant of this Agreement and the Loan Documents, except as expressly otherwise provided herein. Without limiting the foregoing, the Obligors acknowledge and agree that, notwithstanding the amendments to the Loan Agreement or the forbearance contained herein (and except as expressly set out herein in respect of the Canadian Revolving Loans only), the Agents, Lenders and Issuing Bank may refuse to honor any request for any Loan, any issuance, extension, renewal or amendment of Letters of Credit or any other request for extension of credit based on any failure to satisfy conditions thereto, whether arising from the continuation of the Specified Defaults or any other fact or circumstances now existing or arising in the future, whether or not currently known to the parties hereto.

- ii. The Lender Parties hereby acknowledge and agree that to the extent any such Loan or other credit extension is made to the Canadian Borrower during the Forbearance Period, it shall not constitute an additional Event of Default due to the failure of the representations and certifications made or deemed made by the Canadian Borrower and the other Obligors in connection with such Loan or such other credit extension under the Loan Documents to be true because of the existence of Specified Defaults.

Except as modified by this Agreement, no other changes or modifications to the Loan Agreement or the other Loan Documents in respect of the Canadian Borrower are intended or implied, and in all other respects the Loan Agreement and the other Loan Documents in respect of the Canadian Borrower are specifically acknowledged, ratified and confirmed by the Obligors. To the extent of conflict between the terms of this Agreement, the Loan Agreement and the other Loan Documents in respect of the Canadian Borrower, the terms of this Agreement will govern. Notwithstanding anything to the contrary contained herein, for certainty, the Lender Parties are not forbearing from enforcing and exercising their Remedies under the Loan Agreement, the other Loan Documents and Applicable Law against any other Obligor (other than the Canadian Borrower) with respect to the Specified Defaults or otherwise.

(d) No Course of Dealing or Performance. Each Obligor acknowledges and agrees that the agreement of the Lender Parties to forbear from enforcing their rights and exercising their remedies against the Canadian Borrower with respect to the Specified Defaults pursuant to

and as reflected in this Agreement, does not and shall not create (nor shall any Obligor rely upon the existence of or claim or assert that there exists) any obligation of the Lender Parties to consider or agree to any waiver or any other forbearance and, in the event that the Lender Parties subsequently agree to consider any waiver or any other forbearance, neither the existence of any prior forbearance or waiver, nor this Agreement, nor any other conduct of the Lender Parties, or any of them, shall be of any force or effect on the consideration or decision with respect to any such requested waiver or forbearance, and no Lender Party shall have any obligation whatsoever to consider or agree to forbear or to waive any Default or Event of Default. In addition, none of (i) the execution and delivery of this Agreement, (ii) the actions of the Lender Parties in obtaining or analyzing any information from the Obligors, whether or not related to consideration of any waiver, modification, forbearance or alteration of the Loan Agreement, any Default or Event of Default thereunder, or otherwise, including, without limitation, any discussions or negotiations (heretofore or, if any, hereafter) between the Lender Parties and any of the Obligors regarding any potential waiver, modification, forbearance or amendment related to the Loan Agreement, (iii) any failure of the Lender Parties to enforce any of their rights or exercise any of their remedies under, pursuant or with respect to the Loan Agreement, the other Loan Documents or Applicable Law, nor (iv) any action, inaction, waiver, forbearance, amendment or other modification of or with respect to the Loan Agreement or the other Loan Documents, shall, except to the extent otherwise expressly provided herein or unless evidenced by a subsequent written agreement (and then only to the extent provided by the express provisions thereof):

- i. constitute a waiver by any Lender Party of, or an agreement by any Lender Party to forbear from the enforcing of any their rights or exercising any of their remedies with respect to, any Default or Event of Default under the Loan Agreement;
- ii. constitute a waiver by or estoppel of any Lender Party as to the satisfaction or lack of satisfaction of any covenant, term or condition set forth in the Loan Agreement or any other Loan Document;
- iii. except as expressly set forth herein, constitute an amendment to or modification of, or an agreement on the part of any Lender Party to enter into any amendment to or modification of, or an agreement to negotiate or continue to negotiate with respect to, the Loan Agreement or any other Loan Document or any amendment of any of the same;

4. Covenants. At all times after the Effective Date, the Canadian Borrower and the other Obligors covenant and agree as follows (in each case without limiting any covenants or other agreements in the US ABL DIP Agreement and the other Loan Documents):

(a) Company Financial Advisors. The Obligors shall continue to retain a financial advisor, which financial advisor shall be reasonably acceptable to the Administrative Agent and each Co-Collateral Agent. Such retention shall be pursuant to an engagement letter or other arrangement and on terms and conditions reasonably satisfactory to the Administrative Agent and each Co-Collateral Agent. The Agents hereby confirm that, as of the date hereof, the existing engagements of Alix Partners LLP and FAAN Advisors Group Inc. (collectively, the "Financial Advisors") satisfy this requirement. The Financial Advisors shall continue to be

retained by and at the sole cost and expense of Borrowers and solely on behalf of Borrowers at all times.

(b) Fourteen-Week Cash Flow Forecast. The Canadian Borrower, in consultation with the Financial Advisors, shall prepare and deliver to the Co-Collateral Agents:

- i. prior to the commencement of the Forbearance Period, a 14-week cash flow forecast prepared by the Canadian Borrower in good faith based upon assumptions which the Canadian Borrower believes to be reasonable, for the 14-week period commencing as of February 27, 2017, which shall be in form and substance satisfactory to, and approved by, the Co-Collateral Agents (such cash flow forecast, as approved by the Co-Collateral Agents, the "Approved Canadian Budget"); and
- ii. on or before 11:59 p.m. Pacific time on Thursday of each week (commencing as of the first full calendar week following the Petition Date in respect of (ii) and (iii) below and commencing following the third full calendar week following the Petition Date in respect of (i) below) a compliance certificate substantially in the form attached to the US DIP ABL Agreement as Exhibit E, modified as required for application to the Canadian Borrower, and such compliance certificate shall include such detail as is reasonably satisfactory to the Co-Collateral Agents, signed by Naveed Manzoor in his capacity as Chief Restructuring Advisor certifying that (i) the Canadian Borrower is in compliance with the covenants contained in Section 4(c) below, (ii) no Forbearance Terminating Event has occurred or, if a Forbearance Terminating Event has occurred, specifying the nature and extent thereof, and (iii) attaching an approved budget variance report in the form contemplated in the US ABL DIP Agreement with such modifications as are required for such report to apply to the Canadian Borrower.

(c) Budget Compliance Covenants. Commencing following the third full calendar week following the Petition Date and for each calendar week thereafter, the Obligors shall not permit:

- i. Actual Net Cash Flows. The Actual Net Cash Flows of the Canadian Borrower (without giving effect to borrowings or repayments under the Loan Agreement) for any Cumulative Four Week Period or the Cumulative Period to be less than 90% of Budgeted Net Cash Flows of the Canadian Borrower (without giving effect to borrowings or repayments under the Loan Agreement) for any Cumulative Four Week Period or the Cumulative Period ;and
- ii. Maximum Cash Disbursements. Any Actual Line Item Disbursement Amount (other than amounts under the line item "Professional Fees", "Sales taxes on expense" and "Sales taxes on remittance") for any Cumulative Four Week Period or the Cumulative Period to be greater

than 110% of Budgeted Line Item Disbursement Amount for the applicable line item for any such Cumulative Four Week Period or the Cumulative Period.

For the purposes of this Agreement:

“Actual Net Cash Flows” means the sum of all cash receipts received by the Canadian Borrower (excluding any borrowings), minus the sum of all cash disbursements, expenses and payments (excluding repayments of any borrowings) made by the Canadian Borrower, in each case, during the relevant period of determination, as determined in a manner consistent with the Approved Canadian Budget.

“Budgeted Net Cash Flows” means the amount shown in the line item labelled “Net Cash Flow” in the Approved Canadian Budget during the relevant period of determination, provided, that is understood and agreed that, without any further action, any positive or negative variances from the budgeted amount that are tested for any Cumulative Four Week Period shall automatically roll forward to the next tested Cumulative Four Week Period.

“Actual Line Item Disbursement Amount” means expenditures made by the Canadian Borrower during the relevant period of determination which correspond to each of the budgeted expenditures described in the line items contained in the Approved Canadian Budget under the heading “General Disbursements”, as determined in a manner consistent with the Approved Canadian Budget.

“Budgeted Line Item Disbursement Amount” means the expenditures described in the line items contained in the Approved Canadian Budget under the heading “General Disbursements” during the relevant Period of determination on a line item basis (other than amounts under the line item “Professional Fees”, “Sales taxes on expense” and “Sales taxes on remittance”), provided, that it is understood and agreed that, without any further action, any positive or negative variances from the budgeted amount that are tested for any Cumulative Four Week Period shall automatically roll forward to the next tested Cumulative Four Week Period.

(d) Pre-Payment of Debt; Certain Investments. During the Forbearance Period, the Canadian Borrower shall not:

- i. (A) voluntarily pre-pay or otherwise satisfy prior to scheduled maturity any principal of Debt of the Canadian Borrower (other than the Obligations), or (B) make any payments of Subordinated Debt, except interest payments that are capitalized and added to the principal amount of such Subordinated Debt; or
- ii. make any expenditure not included in the Approved Canadian Budget (subject to permitted variances set out above in Section 4(c)) save and except for any inventory purchases made pursuant to the Intercompany Loan.

(e) Cooperation. The Obligors (i) covenant and agree that the Obligors shall fully cooperate with the Financial Advisors (including, without limitation, in connection with the

preparation of the deliverables described in clause (b) above), (ii) hereby authorize the Agents and each Co-Collateral Agent (or their agents or advisors, including, the Agent Advisors) to communicate directly with the Financial Advisors and the Liquidation Agent regarding any and all matters related to the Obligors and their Affiliates, including, without limitation, (x) all financial reports and projections developed, reviewed or verified by the Financial Advisors or the Liquidation Agent and all additional information, reports and statements reasonably requested by any Agent, any Co-Collateral Agent, or any Lender, including, without limitation, as provided in Section 10.1.2(n) of the Loan Agreement and (y) all aspects of the Canadian Liquidation and all additional information, reports and statements reasonably requested by any Agent, any Co-Collateral Agent, or any Lender related thereto, and (iii) hereby authorize and direct the Financial Advisors and the Liquidation Agent to provide the Agents, each Co-Collateral Agent (or their agents or advisors, including, the Agent Advisors) with copies of reports and other information or materials prepared or reviewed by the Financial Advisors as any Agent, any Co-Collateral Agent, or any Lender may reasonably request.

(f) Financial Advisors and Liquidation Agents Status Calls. The Canadian Borrower shall, from time to time upon request by the Administrative Agent or any Co-Collateral Agent, conduct (i) and cause the Financial Advisors to participate in status calls with the Administrative Agent and each Co-Collateral Agent to discuss the Approved Canadian Budget and/or any other reports delivered pursuant to clauses (b), (c) or (e) above or otherwise, the financial operations and performance of the Canadian Borrower's business, the Canadian Liquidation, or such other matters relating to the Canadian Borrower as the Administrative Agent or any Co-Collateral Agent (or their agents or advisors) shall reasonably request and (ii) cause the Liquidation Agent to participate in status calls with the Administrative Agent and each Co-Collateral Agent to discuss the Canadian Liquidation and any matters relating thereto and such other matters relating to the Obligors as the Administrative Agent or any Co-Collateral Agent (or their agents or advisors) shall reasonably request.

(g) Co-Collateral Agents Financial Advisor. The Obligors hereby acknowledge and agree that the Co-Collateral Agents may in their sole and absolute discretion retain (directly or through counsel), for the benefit of the Lender Parties, a financial advisor and/or consultant and such other third party professionals of their choosing (collectively, the "Agent Advisors") to provide advice, analysis and reporting with respect to such matters relating to the Obligors as the Co-Collateral Agents may determine in their sole and absolute discretion. The Obligors and their advisors shall cooperate in all respects with such Agent Advisors and provide all information that such Agent Advisors may reasonably request in a timely manner. All reasonable costs, fees and expenses incurred by the Lender Parties on account of such Agent Advisors shall be Expenses (as defined below) payable by the Obligors as set forth in Section 10 below.

(h) Canadian Liquidation. The Canadian Borrower shall diligently pursue the completion of the Canadian Liquidation, including by commencing the Canadian Liquidation at all Canadian standalone retail locations on or before the date that is two Business Days following the date of the Canadian Preliminary Order, and comply with the terms of the Liquidation Services Agreement. The Liquidation Services Agreement shall not be amended without the consent of the Agents.

(i) Blocked Accounts. The Canadian Borrower shall enforce, collect and receive at its expense all amounts owing on its Accounts in the ordinary course of its business and any Cash Receipts so received shall be subject to the terms of the Loan Agreement and this Agreement. Each of the Canadian Borrower's Deposit Accounts that receive such Cash Receipts or other property subject to a Lien in favour of the Canadian Agent or otherwise shall be subject to duly executed and delivered Account Control Agreements. For purposes of greater certainty, the Canadian Borrower is required to transfer by the ACH or wire transfer on each Business Day (and whether or not there is then an outstanding balance in the Loan Account) all available Cash Receipts to the Canadian Agent's Agent Account.

(j) Court Materials. All motions, orders and other documents to be filed with and submitted to the Canadian Court at any time in the BIA Proceedings shall be in form and substance reasonably satisfactory to the Administrative Agent and the Canadian Agent.

5. Covenants: Immediate Default. The Obligors hereby agree that the failure to perform or comply with any of the terms of this Agreement, including, without limitation, any of the covenants set forth in Section 4 above, shall constitute an additional immediate Event of Default under the Loan Agreement (without any grace or cure period) and shall, upon notice from the Co-Collateral Agents, result in the occurrence of the Forbearance Termination Date as specified herein.

6. Certain Matters In Respect of the Borrowing.

(a) Certain Matters In Respect of the Borrowing Base Certificate. The Canadian Borrower hereby covenants and agrees that, notwithstanding anything to the contrary contained in the Loan Agreement or any other Loan Document, (i) each Borrowing Base Certificate shall be certified by Naveed Manzoor in his capacity as Chief Restructuring Advisor of the Canadian Borrower, and (ii) each Notice of Borrowing shall include a certification certifying the payments set forth in the Approved Canadian Budget to be made by the Canadian Borrower with the proceeds of such borrowing, and each such certification shall be in form and substance satisfactory to the Agents.

(b) Funding During Forbearance Period.

- i. Except to the extent otherwise set forth in this Agreement, and notwithstanding Sections 11.1(j) and 11.2 of the Loan Agreement as those sections apply to the Specified Defaults, the Canadian Revolver Commitments to the Canadian Borrower (as amended by the Forbearance Agreement dated February 14, 2017) shall continue in accordance with the terms and conditions as set forth in the Loan Agreement. Canadian Revolver Loans to the Canadian Borrower will be subject to the calculation of the Canadian Borrowing Base.
- ii. The proceeds of borrowings by the Canadian Borrower shall, subject to the provisions of this Agreement, be used for funding the Canadian Liquidation, the Canadian Borrower's out-of-pocket costs incurred in connection with the BIA Proceedings (including all reasonable fees and expenses of its counsel, the Proposal Trustee and the Proposal Trustee's

counsel and the Agent's counsel), and for such other purposes as may be agreed to by the Agents in writing; all in accordance with the Approved Canadian Budget.

- iii. The Canadian Borrower hereby agrees with the Agents and the Lenders that, effective immediately, (a) no new Canadian BA Rate Loans shall be made available to, or may be continued or converted by, the Canadian Borrower under the Loan Agreement, provided that, during the Forbearance Period, existing Canadian BA Rate Loans made to the Canadian Borrower shall be allowed to expire and converted to Canadian Prime Rate Loans in accordance with the Credit Agreement; (b) no new Banker's Acceptances or Letters of Credit shall be requested or issued for the benefit of the Canadian Borrower, provided that, during the Forbearance Period, any existing Banker's Acceptance or Letter of Credit issued for the benefit of the Canadian Borrower shall be allowed to remain outstanding and renew in accordance with its terms; and (c) no new Hedging Agreement shall be requested or concluded for the benefit of the Canadian Borrower.

7. Representations and Warranties; Reaffirmation; No Off-Sets; Release. To induce the Lender Parties to enter into this Agreement:

(a) Each Obligor represents and warrants that, upon and after giving effect to this Agreement, (i) the representations and warranties of such Obligor contained in the Loan Documents, including this Agreement and any agreement, instrument or document executed in connection herewith or therewith or pursuant hereto or thereto are true and correct in all material respects (except to the extent that any such representation or warranty, by its express terms, relates to a prior specific date or period, in which case such representations and warranties are true and correct as of such earlier date or period, as applicable, and except to the extent any such representation or warranty is made incorrect only because of the existence of a Specified Default), (ii) it has the power and authority and is duly authorized to enter into, deliver and perform this Agreement, (iii) this Agreement, the Loan Agreement and each of the other Loan Documents to which it is a party is the legal, valid and binding obligation thereof, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in equity or in law), (iv) the execution, delivery and performance of this Agreement by each Obligor have been duly authorized by all necessary action, and do not (A) require any consent or approval of any holders of Capital Stock of any Obligor, other than those already obtained; (B) contravene the Organic Documents of any Obligor; (C) violate or cause a material default under any Applicable Law; or (D) result in or require the imposition of any Lien (other than Permitted Liens and Liens granted hereunder) on any Property of any Obligor.

(b) Each Obligor (i) agrees that this Agreement and the US ABL DIP Agreement are not intended to be, and are not, a novation of any of the Loan Documents or any of the Obligations thereunder and does hereby ratify, confirm and reaffirm each of the agreements, covenants, and undertakings made by it under the Loan Agreement and each and every other Loan Document executed by it in connection therewith or pursuant thereto, in each case, as

modified by this Agreement, as if such Obligor were making said agreements, covenants and undertakings on the date hereof, except with respect to such agreements, covenants and undertakings which, by their express terms, are applicable only to a prior specified date, (ii) ratifies and confirms all of its Obligations to the Lender Parties in respect of the Canadian Obligations and the Canada Guaranty; and (iii) confirms that such Obligations are and remain secured by the Collateral pursuant to the Security Documents and pursuant to all other instruments and documents executed and/or delivered by the Obligors, as security for such Obligations and acknowledges the validity of the Liens granted in favour of the Agents, for the benefit of the Secured Parties, pursuant thereto;

(c) Each Obligor does hereby acknowledge and agree that, as of the date hereof, no known right of offset, defense, counterclaim, claim, cause of action or objection exists in favour of any Obligor against any Lender Party arising out of or with respect to (i) the Obligations, this Agreement, the Loan Agreement or any of the other Loan Documents, (ii) any other documents evidencing, securing or in any way relating to the foregoing, or (iii) the administration or funding of the Loans or the Obligations; and

(d) As a material inducement to the Lender Parties entering into this Agreement to forbear from enforcing their rights and exercising their remedies under the Loan Documents and Applicable Law against the Canadian Borrower with respect to the Specified Defaults during the Forbearance Period, all in accordance with and subject to the terms and conditions of this Agreement and the Loan Agreement, and all of which are to the direct advantage and benefit of Canadian Borrower, the Canadian Borrower, for itself and its respective successors and assigns, (i) does hereby remise, release, waive, relinquish, acquit, satisfy and forever discharge each Lender Party and each other Secured Party and all of the respective past, present and future officers, directors, employees, agents, attorneys, Agent Advisors, representatives, participants, heirs, Affiliates, successors and assigns of each Agent, each Co-Collateral Agent, each Lender, each Issuing Bank, and each other Secured Party (collectively the "Discharged Parties" and each a "Discharged Party"), from any and all manner of debts, accountings, bonds, warranties, representations, covenants, promises, contracts, controversies, agreements, liabilities, obligations, expenses, damages, judgments, executions, actions, suits, claims, counterclaims, demands, defenses, setoffs, objections and causes of action of any nature whatsoever, whether at law or in equity, either now accrued or hereafter maturing and whether known or unknown, including, but not limited to, any and all claims which may be based on allegations of breach of contract, failure to lend, fraud, promissory estoppel, libel, slander, usury, negligence, misrepresentation, breach of fiduciary duty, bad faith, lender malpractice, undue influence, duress, tortious interference with contractual relations, interference with management, or misuse of control which the Canadian Borrower now has or hereafter can, shall or may have by reason of any matter, cause, thing or event occurring on or prior the date of this Agreement arising out of, in connection with or relating to (i) the Obligations, including, but not limited to, the administration or funding thereof, (ii) any of the Loan Documents or the indebtedness evidenced and secured thereby, and (iii) any other agreement or transaction between any Obligor and any Discharged Party relating to or in connection with the Loan Documents or the transactions contemplated therein; and (b) does hereby covenant and agree never to institute or cause to be instituted or continue prosecution of any suit or other form of action or proceeding of any kind or nature whatsoever against any Discharged Party, by reason of or in connection with any of the foregoing matters, claims or causes of action, provided, however, that the foregoing release and

covenant not to sue shall not apply to any claims first arising after the date of this Agreement with respect to acts, occurrences or events after the date of this Agreement. To this end, to the maximum extent permitted by law, to the extent the release under this Section 7(d) is a release as to which Section 1542 of the California Civil Code or any similar provision of other Applicable Law applies, each Obligor, for itself and its respective successors and assigns, waives all rights under Section 1542 of the California Civil Code or such similar provision of other Applicable Law, and acknowledge that Section 1542 of the California Civil Code provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favour at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

The waiver above of rights under Section 1542 of the California Civil Code is included solely out of an abundance of caution, and shall not be construed to mean that Section 1542 of the California Civil Code is in any way applicable to the release hereunder.

8. Closing; Conditions Precedent. Each party hereto hereby agrees that the provisions of this Agreement shall be effective upon the date (the “Effective Date”) of satisfaction (or waiver by the Agents in their sole discretion) of each of the following conditions precedent:

(a) Delivery of Documents. On or prior to the date hereof, the Administrative Agent shall have received a copy of this Agreement duly executed by each Obligor, the Lenders, the Agents and Guggenheim (in its capacities as (i) “Administrative Agent” and “Collateral Agent” under the Guggenheim Credit Agreement and (ii) “Guggenheim Administrative Agent” and “Guggenheim Collateral Agent” under the Intercreditor Agreement).

(b) Budget. The Administrative Agent and the Co-Collateral Agents shall have received the Approved Canadian Budget, in form and substance satisfactory to, and approved by, the Co-Collateral Agents.

(c) BIA Proceedings, Court Materials. The Administrative Agent and the Co-Collateral Agents shall have received drafts of all orders to be sought by the Canadian Court upon commencement of the BIA Proceedings and drafts of all supporting affidavits to be filed in the BIA Proceedings in connection with such orders, in form and substance satisfactory to, and approved by, the Co-Collateral Agents. Without limiting the foregoing, the Canadian Borrower shall have filed a motion seeking an order of the Canadian Court (the “Canadian Preliminary Order”) that shall, *inter alia*, provide:

i. that this agreement, and the entry of the Canadian Borrower into this Agreement, is approved;

ii. that the Liquidation Services Agreement, and the entry of the Canadian Borrower into the Liquidation Services Agreement, is approved;

iii. the Agents shall at all times be treated as “unaffected creditors” in the BIA Proceedings and in any proposal filed pursuant thereto and/or in any other insolvency,

restructuring, reorganization and/or arrangement proceeding with respect to the Canadian Borrower thereafter including, without limitation, proceedings under the *Companies' Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) and any stay of proceedings (whether statutory or otherwise) applicable to any creditors in the BIA Proceedings shall not apply to the Agents and the Lenders;

iv. the aggregate of any and all advances of funds by the Agents and the Lenders to the Canadian Borrower under the Loan Agreement made on or after the time of the commencement of the BIA Proceedings shall be secured by a Canadian Court ordered security and charge in favour of the Agents (the "Canadian ABL Priority Charge") which security and charge shall rank in priority to every other claim, Lien and security interest against the Canadian Borrower's property, assets and undertaking, other than such other charges ordered by the Canadian Court with the prior consent of the Agents, without any need or requirement for any further steps for attachment, perfection, opposability against third parties, registration, publication or other notice thereof required to be taken by the Agent;

v. authorization and direction for the Canadian Borrower to pay, in accordance with the Loan Agreement, any and all amounts owing by the Canadian Borrower to the Agents or the Lenders on account of the Canadian Borrower's pre-filing outstanding obligations under the Loan Agreement from time to time, provided that no advances of funds made by the Agents or the Lenders to the Canadian Borrower under the Loan Agreement made on or after the commencement of the BIA Proceedings shall be used to pay the Canadian Borrower's pre-filing outstanding obligations under the Loan Agreement;

vi. authorization and direction for the Canadian Borrower to perform under its existing cash management arrangements pursuant to the Loan Agreement, including as described in subsection 4(i) above.

(d) Notice of Intention to Enforce Security. The Canadian Agent shall have delivered and the Canadian Borrower shall have received a notice in prescribed form from the Canadian Agent to the Canadian Borrower pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) and the Canadian Borrower shall have consented to enforcement of the security interests described therein and waiver of any applicable notice periods on terms satisfactory to the Agents.

(e) Fees and Expenses. The Canadian Borrower shall have paid to the Administrative Agent the Expenses (as defined below) (to the extent incurred, invoiced and otherwise known as to amount as of the date hereof), together with any other fees due and payable on the date hereof.

(f) No Events of Default, Etc. After giving effect to this Agreement, no Default or Event of Default, other than the Specified Defaults, shall have occurred and be continuing under the Loan Agreement or any other Loan Document and each of the representations and warranties in Section 7 of this Agreement shall be true and correct.

(g) Other Creditors. Any proceedings of other creditors of the Canadian Borrower that are ongoing as at the Petition Date or that may be commenced shall be stayed as a result of the commencement of the BIA Proceedings.

(h) US ABL DIP Agreement. The US ABL DIP Agreement shall have been entered into and shall be fully enforceable by and against the parties thereto.

(i) Liquidation Services Agreement. The Liquidation Services Agreement shall remain in full force and effect, unamended.

(j) Other Documentation. All other documentation reasonably required by the Agents and their counsel in connection with this Agreement shall have been received by the Agents, all duly authorized, executed and delivered in form and substance satisfactory to the Agent in its sole discretion.

9. Additional Acknowledgments. Each Obligor expressly acknowledges and agrees that the waivers, estoppels and releases in favour of the Lender Parties and the other Secured Parties contained in this Agreement shall not be construed as an admission of any wrongdoing, liability or culpability on the part of any Lender Party or such other Secured Party, or as an admission by any Lender Party or other Secured Party of the existence of any claims by any Obligor against any Lender Party. Each Obligor further acknowledges and agrees that, to the extent that any such claims exist, they are of a speculative nature so as to be incapable of objective valuation and that, to the extent that any such claims may exist and may have value, such value would constitute primarily “nuisance” value or “leverage” value in adversarial proceedings between any Obligor and any Lender Party or other Secured Party. In any event, each Obligor acknowledges and agrees that the value to such Obligor of the covenants and agreements on the part of each Lender Party or other Secured Party contained in this Agreement substantially and materially exceeds any and all value of any kind or nature whatsoever of any claims or other liabilities waived or released by such Obligor hereunder.

10. Expenses.

Without limiting the generality of Section 3.4 of the Loan Agreement, the Borrowers and the other Obligors jointly and severally agree to pay on demand, without duplication, all reasonable and actual invoiced costs and expenses incurred by the Agents and the Co-Collateral Agents in connection with the preparation, execution, delivery and enforcement of this Agreement and all other documents, instruments and agreements entered into in connection herewith and in connection with any other transactions contemplated hereby or in connection with the BIA Proceedings, the Chapter 11 Proceedings or the Canadian Liquidation, including, without limitation, the reasonable fees and out-of-pocket expenses of legal counsel to the Agents, Co-Collateral Agents and Lenders (collectively the “Expenses”).

11. Conflict; Amendments. In the event of any conflict between the provisions of the Loan Documents and this Agreement, the provisions of this Agreement shall govern. This Agreement shall constitute a Loan Document for all purposes of the Loan Agreement.

12. No Waiver. Except as otherwise expressly provided for in this Agreement, nothing contained in this Agreement shall extend to or affect in any way any of the rights or

obligations of the Obligors and their respective Affiliates, or the Lender Parties' obligations and/or rights and remedies under the Loan Agreement, the other Loan Documents or Applicable Law. Except as expressly set forth herein, all of the terms and provisions of the Loan Agreement and the other Loan Documents shall remain in full force and effect. Each Obligor, individually and on behalf of its respective Affiliates, hereby agrees that the Lender Parties shall not be deemed to have waived the Specified Defaults or any other Default or Event of Default existing on the date hereof or arising hereafter or any or all of their rights and remedies under the Loan Documents and Applicable Law with respect to such Specified Defaults, Defaults or Events of Default. This Agreement shall be binding upon each Obligor, any successors or assigns of any Obligors and any other guarantor or co-obligor of any of the Obligations.

13. Miscellaneous. Each Obligor agrees to take such further action as any of the Lender Parties shall reasonably request in connection herewith to evidence the agreements herein contained. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York. This Agreement may not be modified, altered or amended except by agreement in writing signed by the Obligors, the Lenders and the Agents. Each Obligor acknowledges that it has consulted with counsel and with such other expert advisors as it deemed necessary in connection with the negotiation, execution and delivery of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring that it be construed against the party causing this Agreement or any part hereof to be drafted. Nothing in this Agreement shall be construed to alter the debtor-creditor relationship between the Obligors, on the one hand, and the Secured Parties, on the other. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provisions of this Agreement shall be prohibited by or rendered invalid under Applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement. This Agreement is not intended as, nor shall it be construed to create, a partnership or joint venture relationship between or among any of the parties. This Agreement together with the other Loan Documents embodies the entire understanding and agreement between the parties hereto and thereto with respect to the subject matter hereof and thereof and supersedes all prior agreements, understandings and inducements, whether express or implied, oral or written. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic communication shall be effective as delivery of a manually executed counterpart of this Agreement.

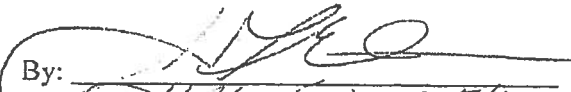
Each Lender and each Co-Collateral Agent that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required under this Agreement to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received reasonably advanced notice from such Lender or Co-Collateral Agent prior to the proposed Effective Date specifying its objection thereto.

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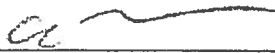
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

Borrowers:

BCBG MAX AZRIA GROUP, LLC


By: 
Name: Holly FELDER Etlin
Title: CEO

BCBG MAX AZRIA CANADA INC.

By: 
Name: Erica Alterwitz Meierhans
Title: Authorized signatory

Guarantors:

MLA MULTIBRAND HOLDINGS, LLC

By: 
Name: Holly FELDER Etlin
Title: CEO

MAX RAVE, LLC

By: 
Name: Erica Alterwitz Meierhans
Title: Director


**BCBG MAX AZRIA INTERMEDIATE
HOLDINGS, LLC**

By: BCBG Max Azria Global Holdings, LLC, its sole member

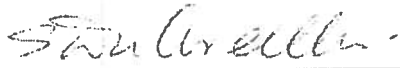
By: 
Name: CEO Holly FELDER Etlin
Title:

Agents and Lenders:

**BANK OF AMERICA, N.A., as
Administrative Agent, a Co-Collateral Agent,
a Lender and an Issuing Bank**

By: 
Name: Roger Malouf
Title: Director

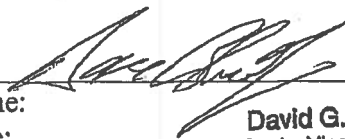
BANK OF AMERICA, N.A., (acting
through its Canada branch), as Canadian
Agent, a Lender and an Issuing Bank

By: 
Name: Sylwia Durkiewicz
Title: Vice President

WELLS FARGO BANK, N.A., as a
Lender and a Co-Collateral Agent

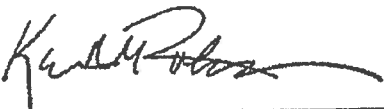
By: Y. Sonia Khoshray
Name: Y. Sonia Khoshray
Title: Authorized Signer

**WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA, as a Lender**

By: 
Name: _____
Title: **David G. Phillips
Senior Vice President
Credit Officer, Canada
Wells Fargo Capital Finance
Corporation Canada**

The undersigned, in its capacities (i) as "Guggenheim Administrative Agent" and "Guggenheim Collateral Agent" under the Intercreditor Agreement and (ii) "Administrative Agent and "Collateral Agent" under the Guggenheim Credit Agreement, hereby acknowledges and consents to the foregoing Agreement, and, notwithstanding any of the restrictions set forth in Section 5.3 of the Intercreditor Agreement, hereby consents to the transactions contemplated under the Agreement and the Loan Agreement (as amended and in effect after giving effect to this Agreement). The undersigned further acknowledges and agrees in its capacity as "Guggenheim Administrative Agent" and "Guggenheim Collateral Agent" under the Intercreditor Agreement that all references to the Revolving Credit Agreement set forth in the Intercreditor Agreement shall mean the Loan Agreement (as amended and in effect after giving effect to this Agreement).

GUGGENHEIM CORPORATE FUNDING, LLC

By: 
Name: Kevin Robinson
Title: Attorney-in-Fact

SCHEDULE A

Existing Defaults

1. Events of Default arising from Company's failure to deliver (a) the audited annual financial statements and related certifications (including the Compliance Certificate to be delivered pursuant to Section 10.1.2(d) of the Loan Agreement concurrently therewith) for the Fiscal Year ended January 20, 2016, as required by Section 10.1.2(a) of the Loan Agreement and (b) the business plan and projections for the Fiscal Year ended January 20, 2016, as required by Section 10.1.2(a) of the Loan Agreement, each of which constitutes an Event of Default under Section 11.1(c) of the Loan Agreement.
2. Events of Default arising from Company's entry into the Disposition Letter and the conduct of the Specified Store Closing Sale in violation of Section 10.2.12 of the Loan Agreement, which constitutes an Event of Default under Section 11.1(c) of the Loan Agreement.
3. Event of Default arising from the Obligors' intention to commence a Chapter 11 bankruptcy proceeding in the U.S. Bankruptcy Court, a proceeding under the BIA and/or the CCAA and the Obligors inability and failure to pay its debts as they become due, including, without limitation, inability to pay debts to vendors which have resulted in the Obligors being unable to replenish their inventory.
4. Any Event of Default arising from the occurrence of an "Event of Default" under and as defined in the Guggenheim Credit Agreement to the extent caused by a Specified Default.
5. Any Event of Default arising from the failure to give notice of any Specified Default as required under the Loan Documents and any breach of any representation or certification to the effect that no Default or Event of Default exists, where such representation or certification is untrue only because of the existence of Specified Defaults (including, for the avoidance of doubt, representations or certifications which were untrue due to the failure of the Borrowers and the Obligors, taken as a whole, to be Solvent).
6. Events of Default arising from the failure to comply with Sections 10.1.10 (Payment of Obligations) or 10.1.13 (Compliance with Terms of Leaseholds) of the Loan Agreement, each of which would constitute an Event of Default under Section 11.1(d) of the Loan Agreement.

CANADIAN FORBEARANCE AGREEMENT

This CANADIAN FORBEARANCE AGREEMENT, dated as of ~~March 3, 2017~~ (this "Agreement"), by and among BCBG MAX AZRIA GROUP, LLC, a Delaware limited liability company (the "Company"), BCBG MAX AZRIA CANADA INC., a Canadian corporation (the "Canadian Borrower" and, together with the Company, collectively, the "Borrowers" and, individually, each a "Borrower"), BCBG MAX AZRIA INTERMEDIATE HOLDINGS, LLC, a Delaware limited liability company ("Holdings"), each other Guarantor party to the Loan Agreement (as hereinafter defined) as of the date hereof, the undersigned Lenders party to the Loan Agreement (as hereinafter defined) as of the date hereof, BANK OF AMERICA, N.A., as Administrative Agent and Issuing Bank, BANK OF AMERICA, N.A. (acting through its Canada branch), as Canadian Agent and Issuing Bank and BANK OF AMERICA, N.A. and WELLS FARGO BANK, NATIONAL ASSOCIATION, each as a Co-Collateral Agent, and the other parties hereto, is entered into with respect to that certain Second Amended and Restated Loan Agreement, dated as of February 5, 2015 (as amended by that certain First Amendment to Second Amended and Restated Loan Agreement, dated as of August 12, 2016, as further amended from time to time, the "Loan Agreement"), among the Borrowers, Holdings, the Guarantors from time to time party thereto, each Lender from time to time party thereto, the Administrative Agent, the Canadian Agent, the Co-Collateral Agents and the Issuing Banks party thereto.

Any capitalized term used herein and not defined herein shall have the meaning assigned to such term in the Loan Agreement or in the US ABL DIP Agreement (as defined herein); provided, however, that the term "Loan Documents" shall include the Senior Secured Super-Priority Debtor-In-Possession Loan Agreement dated as of on or about the date hereof between, among others the Company, Holdings, the other guarantors party thereto, the lenders party thereto, Bank of America, N.A. as Administrative Agent, Bank of America, N.A. and Wells Fargo Bank, N.A., as Co-Collateral Agents (the "US ABL DIP Agreement").

RECITALS

WHEREAS, the Borrowers and the other Obligors have informed the Agents, the Co-Collateral Agents, the Lenders and the Issuing Banks (collectively, the "Lender Parties") that the Events of Default set forth on Schedule A attached hereto have occurred and are continuing as of the date hereof (such Events of Default being collectively referred to herein as the "Existing Defaults"); and

WHEREAS, the Company and certain of its affiliates, other than the Canadian Borrower, intend to commence proceedings under Chapter 11 of the United States Bankruptcy Code (the "Chapter 11 Proceedings") in the United States Bankruptcy Court for the District of Delaware (the "US Court") to implement (a) that certain letter agreement governing inventory disposition, dated on or about February 1, 2017 (including any necessary amendments thereto acceptable to the Administrative Agent) with Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC (collectively, the "US Liquidation Agent"), providing for the liquidation of certain retail locations of the Company and its affiliates, other than the Canadian Borrower, and (b) a sale and investment solicitation process; and

WHEREAS, Deloitte Restructuring Inc. will act as Proposal Trustee (in such capacity, the "Proposal Trustee") in proceedings (the "BIA Proceedings") under Part III, Division I of the

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Bankruptcy and Insolvency Act (Canada) (“BIA”) commenced in the Quebec Superior Court (Commercial Division) (the “Canadian Court”), which BIA Proceedings are intended to be commenced to implement (i) a liquidation of all Canadian standalone retail locations of the Canadian Borrower (the “Canadian Liquidation”); and (ii) the restructuring of the partner shop business (the “Partner Shop Business”) of the Canadian Borrower (the “Partner Shop Restructuring”); and

WHEREAS, in connection with the Canadian Liquidation, Merchant Retail Solutions, ULC and Gordon Brothers Canada ULC (collectively, the “Canadian Liquidation Agent” and, together with the US Liquidation Agent, the “Liquidation Agent”), have been retained to provide consulting services pursuant to an agreement with the Canadian Borrower dated February 24, 2017 (the “Liquidation Services Agreement”); and

WHEREAS, the Canadian Liquidation, the Partner Shop Restructuring, the BIA Proceedings, and the Chapter 11 Proceedings would be further additional Events of Default (the “Anticipated Defaults” and, together with the Existing Defaults, the “Specified Defaults”); and

WHEREAS, the Borrowers and the other Obligors acknowledge and agree that, it is a condition precedent to the Borrowers’ right to request, and the Lenders’ and Issuing Banks’ respective obligations to make available, Loans and Letters of Credit that no Default or Event of Default shall then exist and that as a result of the existence of the Existing Defaults (and also upon the occurrence of the Anticipated Defaults), the Lenders and the Issuing Banks are under no obligation to make any Loans available or to issue any Letters of Credit for the account of the Borrowers or any other Obligor and that any such Loans that the Lenders may make, and any Letters of Credit that the Issuing Banks may issue, are made and issued, as the case may be, solely on the terms set out herein in the case of the Canadian Borrower and solely on the terms of the US ABL DIP Agreement in the case of any parties other than the Canadian Borrower; and

WHEREAS, the Borrowers and the other Obligors acknowledge and agree that, but for the terms of this Agreement, the Lender Parties could, if they so elected, proceed to further enforce their rights and exercise any and all remedies available to the Lender Parties under the Loan Agreement, the other Loan Documents and Applicable Law (such rights and remedies, collectively, the “Remedies”) to collect the Canadian Borrower’s indebtedness to the Lender Parties under the Loan Agreement and the other Loan Documents, including by declaring all of the Obligations of the Canadian Borrower under the Loan Documents immediately due and payable by the Canadian Borrower, and that the Obligors have no defense to the Lender Parties’ enforcement and exercise of their Remedies; and

WHEREAS, the Borrowers and the other Obligors have requested that the Lender Parties agree to (a) forbear, for a limited period, from enforcing and exercising their Remedies under the Loan Agreement, the other Loan Documents and Applicable Law against the Canadian Borrower with respect to the indebtedness of the Canadian Borrower in connection with the Specified Defaults, and (b) make other concessions to the Obligors as set forth herein; and

WHEREAS, the Lender Parties are willing to (a) forbear, for a limited period, from enforcing and exercising their Remedies under the Loan Agreement, the other Loan Documents and Applicable Law with respect to the indebtedness of the Canadian Borrower in connection with the Specified Defaults, and (b) make other concessions to the Obligors (clauses (a) through

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(b), collectively, the “Obligors’ Benefits”), all on the terms and conditions contained herein, each of which term and condition, individually and in the aggregate, and including the performance thereof by the Borrowers and the other Obligors, constitute the consideration to the Lender Parties for entering into this Agreement, and in the absence of any of which the Lender Parties would not have entered into this Agreement or otherwise extended to the Canadian Borrower and the other Obligors the Obligors’ Benefits; and

WHEREAS, the Canadian Borrower and the other Obligors acknowledge and agree that the Obligors’ Benefits hereunder are of immediate and material benefit, financial and otherwise, to the Canadian Borrower and the other Obligors, and that neither the Agents, Co-Collateral Agents, Lenders, or Issuing Banks were or are under any obligation to extend to the Canadian Borrower or the other Obligors the Obligors’ Benefits provided hereunder.

NOW, THEREFORE, in consideration of the foregoing premises, and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Acknowledgments by the Obligors.

(a) The Canadian Borrower and each other Obligor hereby acknowledges and agrees that (i) as at February 24, 2017, the outstanding aggregate principal balance of the Canadian Revolver Loans totaled Cdn. \$13,483,923.88, exclusive of accrued interest, and any other fees (including attorneys’ fees), costs, expenses or amounts chargeable to the Canadian Borrower under the Loan Documents; (ii) the Existing Defaults have occurred and are continuing, as set forth in the Recitals; and (iii) as a result of the occurrence of the Existing Defaults, either Agent (in its discretion, or, upon the written direction of the Required Lenders or the Voting Collateral Agent, as the case may be) may (x) declare all of the Canadian Obligations due and payable by the Canadian Borrower and the other Obligors and (y) exercise any and all of their respective rights and remedies under the Loan Documents or otherwise available under Applicable Law and in equity with respect thereto.

(b) Each Obligor acknowledges and agrees that the forbearance provided herein shall not in any manner limit or restrict any rights or remedies available to the Lender Parties under the Loan Agreement, the other Loan Documents or under Applicable Law as a result of any Event of Default now or hereafter existing other than solely against the Canadian Borrower with respect to the Specified Defaults during the Forbearance Period (as hereinafter defined) only. Each Obligor agrees that the Obligations of the Canadian Borrower and the other Obligors to the Lender Parties and the other Lender Parties as evidenced by or otherwise arising under the Loan Agreement and the other Loan Documents, except as expressly modified in this Agreement upon the terms set forth herein, are, by the Obligors’ execution of this Agreement, ratified and confirmed in all respects, and the Obligors confirm that the Obligations are not subject to any claims or defenses whatsoever.

(c) The Canadian Borrower (i) agrees to, and to cause its officers, directors, accountants, Affiliates and other representatives to, fully and timely cooperate with the Agents and Lenders and their agents, representatives or independent contractors in the exercise of their respective rights under Section 10.1.1 of the Loan Agreement, and (ii) acknowledges that, as a result of the occurrence and continuance of the Existing Defaults and also, upon their occurrence,

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the Specified Defaults (and notwithstanding the amendments to the Loan Agreement or the forbearance provided herein), (x) the Agents (or their agents) may at any time, and as frequently as required by each Agent in its sole discretion, visit and inspect the Properties of the Canadian Borrower, conduct field examinations and Inventory appraisals, inspect, audit and make extracts from the Canadian Borrower's books and records, and discuss with the Canadian Borrower's officers, employees, agents, advisors and independent accountants the Canadian Borrower's business, financial condition, assets, prospects, results of operations and the Canadian Liquidation, and (y) all visits, inspections and appraisals under Section 10.1.1 of the Loan Agreement shall be at the sole expense of the Obligor. Each Obligor acknowledges and agrees that the Lenders may participate in any such visit or inspection.

2. Default Rate. The Canadian Borrower acknowledges and agrees that, effective as of the date hereof, (x) the Required Lenders have elected to apply the Default Rate interest as a result of the occurrence and continuance of the Existing Defaults and (y) from the date hereof until the date that the Specified Defaults are permanently waived hereafter in writing by the Agents and the Lenders and no other Events of Default are occurring and continuing, all Obligations shall bear interest at the Default Rate (that is, at a rate that is 2% per annum in excess of the interest rate or fee rate otherwise applicable under the Loan Agreement if no Event of Default was continuing).

3. Forbearance Arrangements.

(a) Forbearance. During (but only during) the period (such period being hereafter referred to as the "Forbearance Period") commencing on the Effective Date (as hereinafter defined) and ending on that date (the "Forbearance Termination Date") on which the Administrative Agent or Required Lenders have given written notice terminating the Forbearance Period, which notice may be given on or after the date which is the earliest to occur of the following: (i) May 31, 2017, (ii) the occurrence of any Event of Default under the Loan Documents (other than the Specified Defaults), including, without limitation, an Event of Default under this Agreement as set forth in Section 5 hereof, (iii) the date that any Obligor or any Subsidiary or other Affiliate of any Obligor, or any person or entity claiming by or through either any Obligor or any Subsidiary or other Affiliate of any Obligor, commences, joins in, assists, cooperates or participates as an adverse party or adverse witness in any suit or other proceeding against any Secured Party or any Affiliate of any Secured Party, relating to the Obligations or any of the transactions contemplated by the Loan Agreement, the other Loan Documents, this Agreement or any other documents, agreements or instruments executed in connection therewith or with this Agreement, (iv) upon notice of termination delivered by either the Administrative Agent or the Required Lenders, if any representation or warranty set forth in Section 7 is untrue, incorrect or misleading in any material respect when given, (v) any order shall be sought by an Obligor or be entered in a proceeding relating to any Obligor in a Chapter 11 bankruptcy proceeding in the U.S. Bankruptcy Court, including the Chapter 11 Proceedings, that shall not be acceptable to the Agents, (vi) any Event of Default (as defined in the US ABL DIP Agreement) occurs, or (vii) or any other Additional Terminating Event (as defined below) occurs (collectively, the "Forbearance Terminating Events"), the Lender Parties party hereto will forbear from enforcing and exercising their Remedies under the Loan Agreement, the other Loan Documents and Applicable Law against the Canadian Borrower with respect to the Specified Defaults.

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“Additional Terminating Event” means:

- i. the Canadian Borrower creates, incurs, assumes or permits to exist any Lien on any of its property, undertaking or assets now owned or hereafter acquired or the Canadian Court makes any order declaring that all or part of the Canadian Borrower’s property is subject to a charge in favour of any party other than the Agents and such Lien or court ordered charge purports to rank in any manner whatsoever in priority to or *pari passu* with any claim or interest of the Agents under their Liens, other than Permitted Liens and any court-ordered charge(s) approved by the Agents and granted by the Canadian Court in the BIA Proceedings;
- ii. if, on or after the date of this Agreement (a) the BIA Proceedings or the Chapter 11 Proceedings are terminated without the prior or concurrent consent of the Agents; (b) any order of the Canadian Court is sought by the Canadian Borrower or any other Obligor or granted by the Canadian Court that is not acceptable to the Agents; or (c) the Canadian Preliminary Order (as defined below) is not granted on terms satisfactory to the Agent on or before March 6, 2017 or the Canadian Preliminary Order is subsequently amended, vacated or stayed or subject to a motion seeking a stay or leave to appeal;
- iii. the Proposal Trustee reports to the Canadian Court information indicating that there has been a material adverse change in respect of the Canadian Borrower, the BIA Proceedings or the Canadian Liquidation;
- iv. the Liquidation Services Agreement is terminated or amended without the consent of the Agents;
- v. if any representation, warranty or other statement made or deemed to be made by the Canadian Borrower or any other Obligor in this Agreement, or instruments to be delivered to the Agent and the Lender as contemplated by this Agreement is untrue in any material respect;
- vi. if, other than the BIA Proceedings, any action is taken by or against or consented to by the Canadian Borrower to (a) institute proceedings to be liquidated, adjudicated a bankrupt or insolvent; (b) consent to the institution of liquidation, bankruptcy, insolvency or similar proceedings against the Canadian Borrower; (c) file a petition (or similar action or proceeding) or consent to a petition (or similar proceeding) seeking reorganization, arrangement, or relief from creditors, or (d) take or commence any other steps or proceedings under any one or more of the applicable insolvency, liquidation, bankruptcy or analogous statutes or laws, unless the Agents consent thereto;
- vii. if any creditor or encumbrancer of the Canadian Borrower takes possession of any of its property or assets, or if distress or execution or any

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similar process is levied or enforced against the Canadian Borrower's property or assets;

- viii. if any liability arises or event occurs, including any change in the business, assets or conditions, financial or otherwise, of the Canadian Borrower that will, in any Agent's judgment, acting reasonably, materially further impair the Canadian Borrower's financial condition, operations or ability to comply with its obligations under this Agreement, the Loan Agreement or the other Loan Documents or carry out the Canadian Liquidation in a manner reasonably acceptable to the Agents;
- ix. if any step is taken or event occurs that would materially prejudice or jeopardize the Agents' or the Lenders' priority rights with respect to the Collateral; or
- x. if the stay imposed under the BIA Proceedings is lifted, in whole or in part, is terminated or lapses without extension, unless the Agents consent thereto

(b) Expiration of Forbearance Period. Upon the Forbearance Termination Date, (i) the Lender Parties' agreement to forbear from enforcing their rights and exercising their remedies against the Canadian Borrower with respect to the Specified Defaults contained herein shall automatically, and without any further action, notice or demand or any other occurrence terminate, and (ii) the Lender Parties shall be free in their sole and absolute discretion to proceed to enforce any or all of their rights and exercise any or all of their remedies available under the Loan Agreement, the other Loan Documents and Applicable Law in respect of the Canadian Borrower (and, for greater certainty, the other Obligor in respect of the Canadian Obligations), including without limitation, those rights and remedies arising by virtue of the occurrence of the Specified Defaults, and each of the Obligors hereby waives notice thereof. The Obligors acknowledge and agree that during the Forbearance Period, the Specified Defaults shall be existing and continuing until waived, released or extinguished by the Agents and the Lenders.

(c) Effect and Construction of Forbearance.

- i. Except as otherwise expressly provided herein, the Loan Agreement and the other Loan Documents shall remain in full force and effect in accordance with their respective terms in respect of the Canadian Revolving Loans and the other Canadian Obligations, and neither this Agreement nor the making of any Canadian Revolving Loans or other extensions of credit simultaneously herewith or subsequent hereto or the entry of certain of the Obligors into the US ABL DIP Agreement shall be construed to: (i) impair the validity, perfection or priority of any Lien or security interest securing the Obligations, including the Canadian Obligations; (ii) waive or impair any rights, powers or remedies of the Lender Parties under the Loan Agreement, the other Loan Documents or Applicable Law upon the Forbearance Termination Date, with respect to the Specified Defaults or otherwise; (iii) constitute an agreement by the Lender Parties or require the Lender Parties to extend the Forbearance

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Period or further forbear from exercising their rights and remedies under the Loan Agreement, the other Loan Documents or Applicable Law, extend the term of the Loan Agreement or the time for payment of any of the Obligations; (iv) require the Lender Parties to make any Loans, issue, extend, renew or amend any Letter of Credit or make any other extensions of credit to the Borrowers, other than in respect of the Canadian Revolving Loans as expressly provided herein; or (v) constitute a waiver of any right of the Lender Parties to insist on strict compliance by the Obligor with each and every term, condition and covenant of this Agreement and the Loan Documents, except as expressly otherwise provided herein. Without limiting the foregoing, the Obligor acknowledge and agree that, notwithstanding the amendments to the Loan Agreement or the forbearance contained herein (and except as expressly set out herein in respect of the Canadian Revolving Loans only), the Agents, Lenders and Issuing Bank may refuse to honor any request for any Loan, any issuance, extension, renewal or amendment of Letters of Credit or any other request for extension of credit based on any failure to satisfy conditions thereto, whether arising from the continuation of the Specified Defaults or any other fact or circumstances now existing or arising in the future, whether or not currently known to the parties hereto.

- ii. The Lender Parties hereby acknowledge and agree that to the extent any such Loan or other credit extension is made to the Canadian Borrower during the Forbearance Period, it shall not constitute an additional Event of Default due to the failure of the representations and certifications made or deemed made by the Canadian Borrower and the other Obligor in connection with such Loan or such other credit extension under the Loan Documents to be true because of the existence of Specified Defaults.

Except as modified by this Agreement, no other changes or modifications to the Loan Agreement or the other Loan Documents in respect of the Canadian Borrower are intended or implied, and in all other respects the Loan Agreement and the other Loan Documents in respect of the Canadian Borrower are specifically acknowledged, ratified and confirmed by the Obligor. To the extent of conflict between the terms of this Agreement, the Loan Agreement and the other Loan Documents in respect of the Canadian Borrower, the terms of this Agreement will govern. Notwithstanding anything to the contrary contained herein, for certainty, the Lender Parties are not forbearing from enforcing and exercising their Remedies under the Loan Agreement, the other Loan Documents and Applicable Law against any other Obligor (other than the Canadian Borrower) with respect to the Specified Defaults or otherwise.

(d) No Course of Dealing or Performance. Each Obligor acknowledges and agrees that the agreement of the Lender Parties to forbear from enforcing their rights and exercising their remedies against the Canadian Borrower with respect to the Specified Defaults pursuant to and as reflected in this Agreement, does not and shall not create (nor shall any Obligor rely upon the existence of or claim or assert that there exists) any obligation of the Lender Parties to

consider or agree to any waiver or any other forbearance and, in the event that the Lender Parties subsequently agree to consider any waiver or any other forbearance, neither the existence of any prior forbearance or waiver, nor this Agreement, nor any other conduct of the Lender Parties, or any of them, shall be of any force or effect on the consideration or decision with respect to any such requested waiver or forbearance, and no Lender Party shall have any obligation whatsoever to consider or agree to forbear or to waive any Default or Event of Default. In addition, none of (i) the execution and delivery of this Agreement, (ii) the actions of the Lender Parties in obtaining or analyzing any information from the Obligors, whether or not related to consideration of any waiver, modification, forbearance or alteration of the Loan Agreement, any Default or Event of Default thereunder, or otherwise, including, without limitation, any discussions or negotiations (heretofore or, if any, hereafter) between the Lender Parties and any of the Obligors regarding any potential waiver, modification, forbearance or amendment related to the Loan Agreement, (iii) any failure of the Lender Parties to enforce any of their rights or exercise any of their remedies under, pursuant or with respect to the Loan Agreement, the other Loan Documents or Applicable Law, nor (iv) any action, inaction, waiver, forbearance, amendment or other modification of or with respect to the Loan Agreement or the other Loan Documents, shall, except to the extent otherwise expressly provided herein or unless evidenced by a subsequent written agreement (and then only to the extent provided by the express provisions thereof):

- i. constitute a waiver by any Lender Party of, or an agreement by any Lender Party to forbear from the enforcing of any their rights or exercising any of their remedies with respect to, any Default or Event of Default under the Loan Agreement;
- ii. constitute a waiver by or estoppel of any Lender Party as to the satisfaction or lack of satisfaction of any covenant, term or condition set forth in the Loan Agreement or any other Loan Document;
- iii. except as expressly set forth herein, constitute an amendment to or modification of, or an agreement on the part of any Lender Party to enter into any amendment to or modification of, or an agreement to negotiate or continue to negotiate with respect to, the Loan Agreement or any other Loan Document or any amendment of any of the same;

4. Covenants. At all times after the Effective Date, the Canadian Borrower and the other Obligors covenant and agree as follows (in each case without limiting any covenants or other agreements in the US ABL DIP Agreement and the other Loan Documents):

(a) Company Financial Advisors. The Obligors shall continue to retain a financial advisor, which financial advisor shall be reasonably acceptable to the Administrative Agent and each Co-Collateral Agent. Such retention shall be pursuant to an engagement letter or other arrangement and on terms and conditions reasonably satisfactory to the Administrative Agent and each Co-Collateral Agent. The Agents hereby confirm that, as of the date hereof, the existing engagements of Alix Partners LLP and FAAN Advisors Group Inc. (collectively, the "Financial Advisors") satisfy this requirement. The Financial Advisors shall continue to be retained by and at the sole cost and expense of Borrowers and solely on behalf of Borrowers at all times.

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(b) Fourteen-Week Cash Flow Forecast. The Canadian Borrower, in consultation with the Financial Advisors, shall prepare and deliver to the Co-Collateral Agents:

- i. prior to the commencement of the Forbearance Period, a 14-week cash flow forecast prepared by the Canadian Borrower in good faith based upon assumptions which the Canadian Borrower believes to be reasonable, for the 14-week period commencing as of February 27, 2017, which shall be in form and substance satisfactory to, and approved by, the Co-Collateral Agents (such cash flow forecast, as approved by the Co-Collateral Agents, the "Approved Canadian Budget"); and
- ii. on or before 11:59 p.m. Pacific time on Thursday of each week (commencing as of the first full calendar week following the Petition Date in respect of (ii) and (iii) below and commencing following the third full calendar week following the Petition Date in respect of (i) below) a compliance certificate substantially in the form attached to the US DIP ABL Agreement as Exhibit E, modified as required for application to the Canadian Borrower, and such compliance certificate shall include such detail as is reasonably satisfactory to the Co-Collateral Agents, signed by Naveed Manzoor in his capacity as Chief Restructuring Advisor certifying that (i) the Canadian Borrower is in compliance with the covenants contained in Section 4(c) below, (ii) no Forbearance Terminating Event has occurred or, if a Forbearance Terminating Event has occurred, specifying the nature and extent thereof, and (iii) attaching an approved budget variance report in the form contemplated in the US ABL DIP Agreement with such modifications as are required for such report to apply to the Canadian Borrower.

(c) Budget Compliance Covenants. Commencing following the third full calendar week following the Petition Date and for each calendar week thereafter, the Obligor shall not permit:

- i. Actual Net Cash Flows. The Actual Net Cash Flows of the Canadian Borrower (without giving effect to borrowings or repayments under the Loan Agreement) for any Cumulative Four Week Period or the Cumulative Period to be less than 90% of Budgeted Net Cash Flows of the Canadian Borrower (without giving effect to borrowings or repayments under the Loan Agreement) for any Cumulative Four Week Period or the Cumulative Period ;and
- ii. Maximum Cash Disbursements. Any Actual Line Item Disbursement Amount (other than amounts under the line item "Professional Fees", "Sales taxes on expense" and "Sales taxes on remittance") for any Cumulative Four Week Period or the Cumulative Period to be greater than 110% of Budgeted Line Item Disbursement Amount for the applicable line item for any such Cumulative Four Week Period or the Cumulative Period.

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For the purposes of this Agreement:

“Actual Net Cash Flows” means the sum of all cash receipts received by the Canadian Borrower (excluding any borrowings), minus the sum of all cash disbursements, expenses and payments (excluding repayments of any borrowings) made by the Canadian Borrower, in each case, during the relevant period of determination, as determined in a manner consistent with the Approved Canadian Budget.

“Budgeted Net Cash Flows” means the amount shown in the line item labelled “Net Cash Flow” in the Approved Canadian Budget during the relevant period of determination, provided, that is understood and agreed that, without any further action, any positive or negative variances from the budgeted amount that are tested for any Cumulative Four Week Period shall automatically roll forward to the next tested Cumulative Four Week Period.

“Actual Line Item Disbursement Amount” means expenditures made by the Canadian Borrower during the relevant period of determination which correspond to each of the budgeted expenditures described in the line items contained in the Approved Canadian Budget under the heading “General Disbursements”, as determined in a manner consistent with the Approved Canadian Budget.

“Budgeted Line Item Disbursement Amount” means the expenditures described in the line items contained in the Approved Canadian Budget under the heading “General Disbursements” during the relevant Period of determination on a line item basis (other than amounts under the line item “Professional Fees”, “Sales taxes on expense” and “Sales taxes on remittance”), provided, that it is understood and agreed that, without any further action, any positive or negative variances from the budgeted amount that are tested for any Cumulative Four Week Period shall automatically roll forward to the next tested Cumulative Four Week Period.

(d) Pre-Payment of Debt; Certain Investments. During the Forbearance Period, the Canadian Borrower shall not:

- i. (A) voluntarily pre-pay or otherwise satisfy prior to scheduled maturity any principal of Debt of the Canadian Borrower (other than the Obligations), or (B) make any payments of Subordinated Debt, except interest payments that are capitalized and added to the principal amount of such Subordinated Debt; or
- ii. make any expenditure not included in the Approved Canadian Budget (subject to permitted variances set out above in Section 4(c)) save and except for any inventory purchases made pursuant to the Intercompany Loan.

(e) Cooperation. The Obligors (i) covenant and agree that the Obligors shall fully cooperate with the Financial Advisors (including, without limitation, in connection with the preparation of the deliverables described in clause (b) above), (ii) hereby authorize the Agents and each Co-Collateral Agent (or their agents or advisors, including, the Agent Advisors) to communicate directly with the Financial Advisors and the Liquidation Agent regarding any and all matters related to the Obligors and their Affiliates, including, without limitation, (x) all

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financial reports and projections developed, reviewed or verified by the Financial Advisors or the Liquidation Agent and all additional information, reports and statements reasonably requested by any Agent, any Co-Collateral Agent, or any Lender, including, without limitation, as provided in Section 10.1.2(n) of the Loan Agreement and (y) all aspects of the Canadian Liquidation and all additional information, reports and statements reasonably requested by any Agent, any Co-Collateral Agent, or any Lender related thereto, and (iii) hereby authorize and direct the Financial Advisors and the Liquidation Agent to provide the Agents, each Co-Collateral Agent (or their agents or advisors, including, the Agent Advisors) with copies of reports and other information or materials prepared or reviewed by the Financial Advisors as any Agent, any Co-Collateral Agent, or any Lender may reasonably request.

(f) Financial Advisors and Liquidation Agents Status Calls. The Canadian Borrower shall, from time to time upon request by the Administrative Agent or any Co-Collateral Agent, conduct (i) and cause the Financial Advisors to participate in status calls with the Administrative Agent and each Co-Collateral Agent to discuss the Approved Canadian Budget and/or any other reports delivered pursuant to clauses (b), (c) or (e) above or otherwise, the financial operations and performance of the Canadian Borrower's business, the Canadian Liquidation, or such other matters relating to the Canadian Borrower as the Administrative Agent or any Co-Collateral Agent (or their agents or advisors) shall reasonably request and (ii) cause the Liquidation Agent to participate in status calls with the Administrative Agent and each Co-Collateral Agent to discuss the Canadian Liquidation and any matters relating thereto and such other matters relating to the Obligors as the Administrative Agent or any Co-Collateral Agent (or their agents or advisors) shall reasonably request.

(g) Co-Collateral Agents Financial Advisor. The Obligors hereby acknowledge and agree that the Co-Collateral Agents may in their sole and absolute discretion retain (directly or through counsel), for the benefit of the Lender Parties, a financial advisor and/or consultant and such other third party professionals of their choosing (collectively, the "Agent Advisors") to provide advice, analysis and reporting with respect to such matters relating to the Obligors as the Co-Collateral Agents may determine in their sole and absolute discretion. The Obligors and their advisors shall cooperate in all respects with such Agent Advisors and provide all information that such Agent Advisors may reasonably request in a timely manner. All reasonable costs, fees and expenses incurred by the Lender Parties on account of such Agent Advisors shall be Expenses (as defined below) payable by the Obligors as set forth in Section 10 below.

(h) Canadian Liquidation. The Canadian Borrower shall diligently pursue the completion of the Canadian Liquidation, including by commencing the Canadian Liquidation at all Canadian standalone retail locations on or before the date that is two Business Days following the date of the Canadian Preliminary Order, and comply with the terms of the Liquidation Services Agreement. The Liquidation Services Agreement shall not be amended without the consent of the Agents.

(i) Blocked Accounts. The Canadian Borrower shall enforce, collect and receive at its expense all amounts owing on its Accounts in the ordinary course of its business and any Cash Receipts so received shall be subject to the terms of the Loan Agreement and this Agreement. Each of the Canadian Borrower's Deposit Accounts that receive such Cash Receipts or other property subject to a Lien in favour of the Canadian Agent or otherwise shall be subject to duly executed and delivered Account Control Agreements. For purposes of greater certainty, the

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Canadian Borrower is required to transfer by the ACH or wire transfer on each Business Day (and whether or not there is then an outstanding balance in the Loan Account) all available Cash Receipts to the Canadian Agent's Agent Account.

(j) Court Materials. All motions, orders and other documents to be filed with and submitted to the Canadian Court at any time in the BIA Proceedings shall be in form and substance reasonably satisfactory to the Administrative Agent and the Canadian Agent.

5. Covenants: Immediate Default. The Obligors hereby agree that the failure to perform or comply with any of the terms of this Agreement, including, without limitation, any of the covenants set forth in Section 4 above, shall constitute an additional immediate Event of Default under the Loan Agreement (without any grace or cure period) and shall, upon notice from the Co-Collateral Agents, result in the occurrence of the Forbearance Termination Date as specified herein.

6. Certain Matters In Respect of the Borrowing.

(a) Certain Matters In Respect of the Borrowing Base Certificate. The Canadian Borrower hereby covenants and agrees that, notwithstanding anything to the contrary contained in the Loan Agreement or any other Loan Document, (i) each Borrowing Base Certificate shall be certified by Naveed Manzoor in his capacity as Chief Restructuring Advisor of the Canadian Borrower, and (ii) each Notice of Borrowing shall include a certification certifying the payments set forth in the Approved Canadian Budget to be made by the Canadian Borrower with the proceeds of such borrowing, and each such certification shall be in form and substance satisfactory to the Agents.

(b) Funding During Forbearance Period.

- i. Except to the extent otherwise set forth in this Agreement, and notwithstanding Sections 11.1(j) and 11.2 of the Loan Agreement as those sections apply to the Specified Defaults, the Canadian Revolver Commitments to the Canadian Borrower (as amended by the Forbearance Agreement dated February 14, 2017) shall continue in accordance with the terms and conditions as set forth in the Loan Agreement. Canadian Revolver Loans to the Canadian Borrower will be subject to the calculation of the Canadian Borrowing Base.
- ii. The proceeds of borrowings by the Canadian Borrower shall, subject to the provisions of this Agreement, be used for funding the Canadian Liquidation, the Canadian Borrower's out-of-pocket costs incurred in connection with the BIA Proceedings (including all reasonable fees and expenses of its counsel, the Proposal Trustee and the Proposal Trustee's counsel and the Agent's counsel), and for such other purposes as may be agreed to by the Agents in writing; all in accordance with the Approved Canadian Budget.
- iii. The Canadian Borrower hereby agrees with the Agents and the Lenders that, effective immediately, (a) no new Canadian BA Rate Loans shall be

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made available to, or may be continued or converted by, the Canadian Borrower under the Loan Agreement, provided that, during the Forbearance Period, existing Canadian BA Rate Loans made to the Canadian Borrower shall be allowed to expire and converted to Canadian Prime Rate Loans in accordance with the Credit Agreement; (b) no new Banker's Acceptances or Letters of Credit shall be requested or issued for the benefit of the Canadian Borrower, provided that, during the Forbearance Period, any existing Banker's Acceptance or Letter of Credit issued for the benefit of the Canadian Borrower shall be allowed to remain outstanding and renew in accordance with its terms; and (c) no new Hedging Agreement shall be requested or concluded for the benefit of the Canadian Borrower.

7. Representations and Warranties; Reaffirmation; No Off-Sets; Release. To induce the Lender Parties to enter into this Agreement:

(a) Each Obligor represents and warrants that, upon and after giving effect to this Agreement, (i) the representations and warranties of such Obligor contained in the Loan Documents, including this Agreement and any agreement, instrument or document executed in connection herewith or therewith or pursuant hereto or thereto are true and correct in all material respects (except to the extent that any such representation or warranty, by its express terms, relates to a prior specific date or period, in which case such representations and warranties are true and correct as of such earlier date or period, as applicable, and except to the extent any such representation or warranty is made incorrect only because of the existence of a Specified Default), (ii) it has the power and authority and is duly authorized to enter into, deliver and perform this Agreement, (iii) this Agreement, the Loan Agreement and each of the other Loan Documents to which it is a party is the legal, valid and binding obligation thereof, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought in equity or in law), (iv) the execution, delivery and performance of this Agreement by each Obligor have been duly authorized by all necessary action, and do not (A) require any consent or approval of any holders of Capital Stock of any Obligor, other than those already obtained; (B) contravene the Organic Documents of any Obligor; (C) violate or cause a material default under any Applicable Law; or (D) result in or require the imposition of any Lien (other than Permitted Liens and Liens granted hereunder) on any Property of any Obligor.

(b) Each Obligor (i) agrees that this Agreement and the US ABL DIP Agreement are not intended to be, and are not, a novation of any of the Loan Documents or any of the Obligations thereunder and does hereby ratify, confirm and reaffirm each of the agreements, covenants, and undertakings made by it under the Loan Agreement and each and every other Loan Document executed by it in connection therewith or pursuant thereto, in each case, as modified by this Agreement, as if such Obligor were making said agreements, covenants and undertakings on the date hereof, except with respect to such agreements, covenants and undertakings which, by their express terms, are applicable only to a prior specified date, (ii) ratifies and confirms all of its Obligations to the Lender Parties in respect of the Canadian Obligations and the Canada Guaranty; and (iii) confirms that such Obligations are and remain

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secured by the Collateral pursuant to the Security Documents and pursuant to all other instruments and documents executed and/or delivered by the Obligor, as security for such Obligations and acknowledges the validity of the Liens granted in favour of the Agents, for the benefit of the Secured Parties, pursuant thereto;

(c) Each Obligor does hereby acknowledge and agree that, as of the date hereof, no known right of offset, defense, counterclaim, claim, cause of action or objection exists in favour of any Obligor against any Lender Party arising out of or with respect to (i) the Obligations, this Agreement, the Loan Agreement or any of the other Loan Documents, (ii) any other documents evidencing, securing or in any way relating to the foregoing, or (iii) the administration or funding of the Loans or the Obligations; and

(d) As a material inducement to the Lender Parties entering into this Agreement to forbear from enforcing their rights and exercising their remedies under the Loan Documents and Applicable Law against the Canadian Borrower with respect to the Specified Defaults during the Forbearance Period, all in accordance with and subject to the terms and conditions of this Agreement and the Loan Agreement, and all of which are to the direct advantage and benefit of Canadian Borrower, the Canadian Borrower, for itself and its respective successors and assigns, (i) does hereby remise, release, waive, relinquish, acquit, satisfy and forever discharge each Lender Party and each other Secured Party and all of the respective past, present and future officers, directors, employees, agents, attorneys, Agent Advisors, representatives, participants, heirs, Affiliates, successors and assigns of each Agent, each Co-Collateral Agent, each Lender, each Issuing Bank, and each other Secured Party (collectively the “Discharged Parties” and each a “Discharged Party”), from any and all manner of debts, accountings, bonds, warranties, representations, covenants, promises, contracts, controversies, agreements, liabilities, obligations, expenses, damages, judgments, executions, actions, suits, claims, counterclaims, demands, defenses, setoffs, objections and causes of action of any nature whatsoever, whether at law or in equity, either now accrued or hereafter maturing and whether known or unknown, including, but not limited to, any and all claims which may be based on allegations of breach of contract, failure to lend, fraud, promissory estoppel, libel, slander, usury, negligence, misrepresentation, breach of fiduciary duty, bad faith, lender malpractice, undue influence, duress, tortious interference with contractual relations, interference with management, or misuse of control which the Canadian Borrower now has or hereafter can, shall or may have by reason of any matter, cause, thing or event occurring on or prior the date of this Agreement arising out of, in connection with or relating to (i) the Obligations, including, but not limited to, the administration or funding thereof, (ii) any of the Loan Documents or the indebtedness evidenced and secured thereby, and (iii) any other agreement or transaction between any Obligor and any Discharged Party relating to or in connection with the Loan Documents or the transactions contemplated therein; and (b) does hereby covenant and agree never to institute or cause to be instituted or continue prosecution of any suit or other form of action or proceeding of any kind or nature whatsoever against any Discharged Party, by reason of or in connection with any of the foregoing matters, claims or causes of action, provided, however, that the foregoing release and covenant not to sue shall not apply to any claims first arising after the date of this Agreement with respect to acts, occurrences or events after the date of this Agreement. To this end, to the maximum extent permitted by law, to the extent the release under this Section 7(d) is a release as to which Section 1542 of the California Civil Code or any similar provision of other Applicable Law applies, each Obligor, for itself and its respective successors and assigns, waives all rights

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under Section 1542 of the California Civil Code or such similar provision of other Applicable Law, and acknowledge that Section 1542 of the California Civil Code provides as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favour at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

The waiver above of rights under Section 1542 of the California Civil Code is included solely out of an abundance of caution, and shall not be construed to mean that Section 1542 of the California Civil Code is in any way applicable to the release hereunder.

8. Closing; Conditions Precedent. Each party hereto hereby agrees that the provisions of this Agreement shall be effective upon the date (the “Effective Date”) of satisfaction (or waiver by the Agents in their sole discretion) of each of the following conditions precedent:

(a) Delivery of Documents. On or prior to the date hereof, the Administrative Agent shall have received a copy of this Agreement duly executed by each Obligor, the Lenders, the Agents and Guggenheim (in its capacities as (i) “Administrative Agent” and “Collateral Agent” under the Guggenheim Credit Agreement and (ii) “Guggenheim Administrative Agent” and “Guggenheim Collateral Agent” under the Intercreditor Agreement).

(b) Budget. The Administrative Agent and the Co-Collateral Agents shall have received the Approved Canadian Budget, in form and substance satisfactory to, and approved by, the Co-Collateral Agents.

(c) BIA Proceedings, Court Materials. The Administrative Agent and the Co-Collateral Agents shall have received drafts of all orders to be sought by the Canadian Court upon commencement of the BIA Proceedings and drafts of all supporting affidavits to be filed in the BIA Proceedings in connection with such orders, in form and substance satisfactory to, and approved by, the Co-Collateral Agents. Without limiting the foregoing, the Canadian Borrower shall have filed a motion seeking an order of the Canadian Court (the “Canadian Preliminary Order”) that shall, *inter alia*, provide:

- i. that this agreement, and the entry of the Canadian Borrower into this Agreement, is approved;
- ii. that the Liquidation Services Agreement, and the entry of the Canadian Borrower into the Liquidation Services Agreement, is approved;
- iii. the Agents shall at all times be treated as “unaffected creditors” in the BIA Proceedings and in any proposal filed pursuant thereto and/or in any other insolvency, restructuring, reorganization and/or arrangement proceeding with respect to the Canadian Borrower thereafter including, without limitation, proceedings under the *Companies’ Creditors Arrangement Act* (Canada) or the *Bankruptcy and Insolvency Act* (Canada) and any stay of proceedings (whether statutory or otherwise) applicable to any creditors in the BIA Proceedings shall not apply to the Agents and the Lenders;

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iv. the aggregate of any and all advances of funds by the Agents and the Lenders to the Canadian Borrower under the Loan Agreement made on or after the time of the commencement of the BIA Proceedings shall be secured by a Canadian Court ordered security and charge in favour of the Agents (the "Canadian ABL Priority Charge") which security and charge shall rank in priority to every other claim, Lien and security interest against the Canadian Borrower's property, assets and undertaking, other than such other charges ordered by the Canadian Court with the prior consent of the Agents, without any need or requirement for any further steps for attachment, perfection, opposability against third parties, registration, publication or other notice thereof required to be taken by the Agent;

v. authorization and direction for the Canadian Borrower to pay, in accordance with the Loan Agreement, any and all amounts owing by the Canadian Borrower to the Agents or the Lenders on account of the Canadian Borrower's pre-filing outstanding obligations under the Loan Agreement from time to time, provided that no advances of funds made by the Agents or the Lenders to the Canadian Borrower under the Loan Agreement made on or after the commencement of the BIA Proceedings shall be used to pay the Canadian Borrower's pre-filing outstanding obligations under the Loan Agreement;

vi. authorization and direction for the Canadian Borrower to perform under its existing cash management arrangements pursuant to the Loan Agreement, including as described in subsection 4(i) above.

(d) Notice of Intention to Enforce Security. The Canadian Agent shall have delivered and the Canadian Borrower shall have received a notice in prescribed form from the Canadian Agent to the Canadian Borrower pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (Canada) and the Canadian Borrower shall have consented to enforcement of the security interests described therein and waiver of any applicable notice periods on terms satisfactory to the Agents.

(e) Fees and Expenses. The Canadian Borrower shall have paid to the Administrative Agent the Expenses (as defined below) (to the extent incurred, invoiced and otherwise known as to amount as of the date hereof), together with any other fees due and payable on the date hereof.

(f) No Events of Default, Etc. After giving effect to this Agreement, no Default or Event of Default, other than the Specified Defaults, shall have occurred and be continuing under the Loan Agreement or any other Loan Document and each of the representations and warranties in Section 7 of this Agreement shall be true and correct.

(g) Other Creditors. Any proceedings of other creditors of the Canadian Borrower that are ongoing as at the Petition Date or that may be commenced shall be stayed as a result of the commencement of the BIA Proceedings.

(h) US ABL DIP Agreement. The US ABL DIP Agreement shall have been entered into and shall be fully enforceable by and against the parties thereto.

(i) Liquidation Services Agreement. The Liquidation Services Agreement shall remain in full force and effect, unamended.

(j) Other Documentation. All other documentation reasonably required by the Agents and their counsel in connection with this Agreement shall have been received by the Agents, all duly authorized, executed and delivered in form and substance satisfactory to the Agent in its sole discretion.

9. Additional Acknowledgments. Each Obligor expressly acknowledges and agrees that the waivers, estoppels and releases in favour of the Lender Parties and the other Secured Parties contained in this Agreement shall not be construed as an admission of any wrongdoing, liability or culpability on the part of any Lender Party or such other Secured Party, or as an admission by any Lender Party or other Secured Party of the existence of any claims by any Obligor against any Lender Party. Each Obligor further acknowledges and agrees that, to the extent that any such claims exist, they are of a speculative nature so as to be incapable of objective valuation and that, to the extent that any such claims may exist and may have value, such value would constitute primarily “nuisance” value or “leverage” value in adversarial proceedings between any Obligor and any Lender Party or other Secured Party. In any event, each Obligor acknowledges and agrees that the value to such Obligor of the covenants and agreements on the part of each Lender Party or other Secured Party contained in this Agreement substantially and materially exceeds any and all value of any kind or nature whatsoever of any claims or other liabilities waived or released by such Obligor hereunder.

10. Expenses.

Without limiting the generality of Section 3.4 of the Loan Agreement, the Borrowers and the other Obligors jointly and severally agree to pay on demand, without duplication, all reasonable and actual invoiced costs and expenses incurred by the Agents and the Co-Collateral Agents in connection with the preparation, execution, delivery and enforcement of this Agreement and all other documents, instruments and agreements entered into in connection herewith and in connection with any other transactions contemplated hereby or in connection with the BIA Proceedings, the Chapter 11 Proceedings or the Canadian Liquidation, including, without limitation, the reasonable fees and out-of-pocket expenses of legal counsel to the Agents, Co-Collateral Agents and Lenders (collectively the “Expenses”).

11. Conflict; Amendments. In the event of any conflict between the provisions of the Loan Documents and this Agreement, the provisions of this Agreement shall govern. This Agreement shall constitute a Loan Document for all purposes of the Loan Agreement.

12. No Waiver. Except as otherwise expressly provided for in this Agreement, nothing contained in this Agreement shall extend to or affect in any way any of the rights or obligations of the Obligors and their respective Affiliates, or the Lender Parties’ obligations and/or rights and remedies under the Loan Agreement, the other Loan Documents or Applicable Law. Except as expressly set forth herein, all of the terms and provisions of the Loan Agreement and the other Loan Documents shall remain in full force and effect. Each Obligor, individually and on behalf of its respective Affiliates, hereby agrees that the Lender Parties shall not be deemed to have waived the Specified Defaults or any other Default or Event of Default existing on the date hereof or arising hereafter or any or all of their rights and remedies under the Loan

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Documents and Applicable Law with respect to such Specified Defaults, Defaults or Events of Default. This Agreement shall be binding upon each Obligor, any successors or assigns of any Obligors and any other guarantor or co-obligor of any of the Obligations.

13. Miscellaneous. Each Obligor agrees to take such further action as any of the Lender Parties shall reasonably request in connection herewith to evidence the agreements herein contained. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same instrument. This Agreement shall be binding upon and inure to the benefit of the successors and permitted assigns of the parties hereto. This Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York. This Agreement may not be modified, altered or amended except by agreement in writing signed by the Obligors, the Lenders and the Agents. Each Obligor acknowledges that it has consulted with counsel and with such other expert advisors as it deemed necessary in connection with the negotiation, execution and delivery of this Agreement. This Agreement shall be construed without regard to any presumption or rule requiring that it be construed against the party causing this Agreement or any part hereof to be drafted. Nothing in this Agreement shall be construed to alter the debtor-creditor relationship between the Obligors, on the one hand, and the Secured Parties, on the other. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provisions of this Agreement shall be prohibited by or rendered invalid under Applicable Law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement. This Agreement is not intended as, nor shall it be construed to create, a partnership or joint venture relationship between or among any of the parties. This Agreement together with the other Loan Documents embodies the entire understanding and agreement between the parties hereto and thereto with respect to the subject matter hereof and thereof and supersedes all prior agreements, understandings and inducements, whether express or implied, oral or written. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic communication shall be effective as delivery of a manually executed counterpart of this Agreement.

Each Lender and each Co-Collateral Agent that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required under this Agreement to be consented to or approved by or acceptable or satisfactory to a Lender unless the Administrative Agent shall have received reasonably advanced notice from such Lender or Co-Collateral Agent prior to the proposed Effective Date specifying its objection thereto.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered as of the date first above written.

Borrowers:

BCBG MAX AZRIA GROUP, LLC

By: _____
Name:
Title:

BCBG MAX AZRIA CANADA INC.

By: _____
Name:
Title:

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Guarantors:

MLA MULTIBRAND HOLDINGS, LLC

By: _____

Name:

Title:

MAX RAVE, LLC

By: _____

Name:

Title:

**BCBG MAX AZRIA INTERMEDIATE
HOLDINGS, LLC**

By: BCBG Max Azria Global Holdings, LLC, its sole member

By: _____

Name:

Title:

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Agents and Lenders:

**BANK OF AMERICA, N.A., as
Administrative Agent, a Co-Collateral Agent,
a Lender and an Issuing Bank**

By: _____

Name:

Title:

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BANK OF AMERICA, N.A., (acting through its Canada branch), as Canadian Agent, a Lender and an Issuing Bank

By: _____
Name:
Title:

Draft

**WELLS FARGO BANK, N.A., as a
Lender and a Co-Collateral Agent**

By: _____
Name:
Title:

Draft

**WELLS FARGO CAPITAL FINANCE
CORPORATION CANADA, as a Lender**

By: _____
Name:
Title:

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The undersigned, in its capacities (i) as “Guggenheim Administrative Agent” and “Guggenheim Collateral Agent” under the Intercreditor Agreement and (ii) “Administrative Agent and “Collateral Agent” under the Guggenheim Credit Agreement, hereby acknowledges and consents to the foregoing Agreement, and, notwithstanding any of the restrictions set forth in Section 5.3 of the Intercreditor Agreement, hereby consents to the transactions contemplated under the Agreement and the Loan Agreement (as amended and in effect after giving effect to this Agreement). The undersigned further acknowledges and agrees in its capacity as “Guggenheim Administrative Agent” and “Guggenheim Collateral Agent” under the Intercreditor Agreement that all references to the Revolving Credit Agreement set forth in the Intercreditor Agreement shall mean the Loan Agreement (as amended and in effect after giving effect to this Agreement).

GUGGENHEIM CORPORATE FUNDING, LLC

By: _____
Name:
Title:

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SCHEDULE A

Existing Defaults

1. Events of Default arising from Company's failure to deliver (a) the audited annual financial statements and related certifications (including the Compliance Certificate to be delivered pursuant to Section 10.1.2(d) of the Loan Agreement concurrently therewith) for the Fiscal Year ended January 20, 2016, as required by Section 10.1.2(a) of the Loan Agreement and (b) the business plan and projections for the Fiscal Year ended January 20, 2016, as required by Section 10.1.2(a) of the Loan Agreement, each of which constitutes an Event of Default under Section 11.1(c) of the Loan Agreement.
2. Events of Default arising from Company's entry into the Disposition Letter and the conduct of the Specified Store Closing Sale in violation of Section 10.2.12 of the Loan Agreement, which constitutes an Event of Default under Section 11.1(c) of the Loan Agreement.
3. Event of Default arising from the Obligors' intention to commence a Chapter 11 bankruptcy proceeding in the U.S. Bankruptcy Court, a proceeding under the BIA and/or the CCAA and the Obligors inability and failure to pay its debts as they become due, including, without limitation, inability to pay debts to vendors which have resulted in the Obligors being unable to replenish their inventory.
4. Any Event of Default arising from the occurrence of an "Event of Default" under and as defined in the Guggenheim Credit Agreement to the extent caused by a Specified Default.
5. Any Event of Default arising from the failure to give notice of any Specified Default as required under the Loan Documents and any breach of any representation or certification to the effect that no Default or Event of Default exists, where such representation or certification is untrue only because of the existence of Specified Defaults (including, for the avoidance of doubt, representations or certifications which were untrue due to the failure of the Borrowers and the Obligors, taken as a whole, to be Solvent).
6. Events of Defaults arising from the failure to comply with Sections 10.1.10 (Payment of Obligations) or 10.1.13 (Compliance with Terms of Leaseholds) of the Loan Agreement, each of which would constitute an Event of Default under Section 11.1(d) of the Loan Agreement.

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No.: 500-11-052159-171

**SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTRÉAL**

**IN THE MATTER OF THE NOTICE OF
INTENTION TO MAKE A PROPOSAL OF:**

BCBG MAX AZRIA CANADA INC.

Debtors/Petitioners

-and-

DELOITTE RESTRUCTURING INC.

Trustee

**APPLICATION FOR AN ORDER APPROVING
A DIP FINANCING AND DIP CHARGE,
AN ADMINISTRATION CHARGE,
A D&O CHARGE, A CONSULTING AGREEMENT AND
SALE GUIDELINES AND GRANTING ANCILLARY
RELIEF**

EXHIBIT P-10

Code : BO 0323

o/f: 1179263

**Mtre. Sandra Abitan
Mtre. Julien Morissette
Osler, Hoskin & Harcourt LLP
1000 De La Gauchetière Street West, Suite 2100
Montréal, Québec H3B 4W5
sabitan@osler.com
jmorissette@osler.com
Tel: 514.904.8100 Fax: 514.904.8101**

Notification by email: Addresses listed above