

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): **August 9, 2018**

SCHOOL SPECIALTY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-24385
(Commission
File Number)

39-0971239
(IRS Employer
Identification No.)

W6316 Design Drive
Greenville, Wisconsin 54942
(Address of principal executive offices, including
zip code)

Registrant's telephone number, including area code: (920) 734-5712

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

Item 1.01 Entry into a Material Definitive Agreements.

On August 9, 2018, School Specialty, Inc. (the “Company”) entered into the First Amendment of its Loan Agreement dated April 7, 2017 (the “Term Loan Agreement”) among the Company, as borrower, certain of its subsidiaries, as guarantors, the financial parties party thereto, as lenders (the “Term Loan Lenders”) and TCW Asset Management Company LLC, as the agent (the “Term Loan Amendment”) in order to: (1) update the definition of “Change of Control” set forth in the Term Loan Agreement, and (2) , and (2) update the definition of “Specified Unsecured Prepetition Debt” and associated provisions set forth in the Term Loan Agreement . The Term Loan Amendment deletes the reference to “35%” in the “Change of Control” definition and inserts “50%” in its place. The Company amended this provision of the Term Loan Agreement in order to accommodate certain shareholders of the Company with large positions. The Term Loan Agreement also amended and restated the definition “Specified Unsecured Prepetition Debt” in order to increase the cap on amounts prepaid because the original cap set forth therein was less than the amount due at maturity due to the fiscal 2017 revised interpretation of the interest calculation methodology pursuant to the bankruptcy Reorganization Plan (as defined in the Term Loan Agreement).

Also on August 9, 2018, the Company entered into the Fourth Amendment to Loan Agreement (the “ABL Agreement”) among the Company, certain of its subsidiary borrowers, Bank of America, N.A. and Bank of Montreal as lenders (the “ABL Lenders”), and Bank of America, N.A., as agent for the ABL Lenders (the “ABL Amendment”) in order to: (1) update the definition of “Change of Control” set forth in the ABL Agreement, and (2) update the definition of “Specified Unsecured Prepetition Debt” and associated provisions set forth in the ABL Agreement. The ABL Amendment deletes the reference to “35%” in the “Change of Control” definition and inserts “50%” in its place. The Company amended this provision of the ABL Agreement in order to accommodate certain shareholders of the Company with large positions. The ABL Agreement also amended and restated the definition “Specified Unsecured Prepetition Debt” in order to increase the cap on amounts prepaid because the original cap set forth therein was less than the amount due at maturity due to the fiscal 2017 revised interpretation of the interest calculation methodology pursuant to the bankruptcy Reorganization Plan (as defined in the ABL Agreement).

The Term Loan Amendment and the ABL Amendment are filed as exhibits herewith and incorporated herein by reference. The foregoing descriptions of the Term Loan Amendment and the ABL Amendment do not purport to be complete and are qualified in their entirety by the full text of such agreements.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
<u>10.1</u>	First Amendment dated as of August 9, 2018 to the Loan Agreement, dated as of April 7, 2017, by and between School Specialty, Inc., as borrower, certain of its subsidiaries, as guarantors, the financial parties party thereto, as lenders, and TCW Asset Management Company, LLC, as agent.
<u>10.2</u>	Fourth Amendment, dated as of August 9, 2018, to the Loan Agreement among School Specialty, Inc. and certain of its subsidiaries, as borrowers, Bank of America, N.A. and Bank of Montreal, as lenders, Bank of Montreal as syndication agent, and Bank of America, N.A., as agent for the lenders

SIGNATURES

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

SCHOOL SPECIALTY, INC.

Dated: August 14, 2018

By: /s/ Kevin Baehler
Kevin Baehler
Executive Vice President and
Chief Financial Officer

**FIRST AMENDMENT TO
LOAN AGREEMENT**

THIS FIRST AMENDMENT TO LOAN AGREEMENT (this "Amendment") is entered into as of August 9, 2018 by and among **SCHOOL SPECIALTY, INC.**, a Delaware corporation ("Borrower"), each Guarantor (as defined in the Loan Agreement) party hereto, the Lenders identified on the signature pages hereof and **TCW ASSET MANAGEMENT COMPANY**, as agent for the Lenders ("Agent").

WHEREAS, Borrower, the Guarantors from time to time party thereto, Agent, and the Lenders from time to time party thereto are parties to that certain Loan Agreement dated as of April 7, 2017 (as amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement"); and

WHEREAS, Borrower has requested that Agent and the Lenders amend the Loan Agreement in certain respects as set forth herein, and Agent and the Lenders have agreed to the foregoing, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

2. Amendments to Loan Agreement. Subject to the satisfaction of the conditions set forth in Section 5 below and in reliance upon the representations and warranties of Borrower and the Guarantors party hereto set forth in Section 6 below, the Loan Agreement is amended as follows:

(A) The defined term "Change of Control" set forth in Section 1.1 of the Loan Agreement is hereby amended by deleting the reference to "35%" contained therein and inserting "50%" in lieu thereof.

(B) The defined term "Specified Unsecured Prepetition Debt" set forth in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety, as follows:

Specified Unsecured Prepetition Debt: any payment or distribution in respect of the Allowed General Unsecured Claims or Allowed Trade Unsecured Claims (as such terms are defined in the Plan of Reorganization) that is made in accordance with Sections IV.E, IV.F and V.I of the Plan of Reorganization in an aggregate amount not to exceed the sum of (x) \$24,500,000 and (y) the amount of accrued and unpaid interest thereon.

(C) Clause (j) of Section 10.2.1 of the Loan Agreement is hereby amended and restated in its entirety as follows:

(j) Specified Unsecured Prepetition Debt in an aggregate original principal amount (excluding accrued and unpaid interest thereon) not to exceed \$24,500,000;

3. Continuing Effect. Except as expressly set forth in Section 2 of this Amendment, nothing in this Amendment shall constitute a modification or alteration of the terms, conditions or covenants of the Loan Agreement or any other Loan Document, or a waiver of any other terms or provisions thereof, and the Loan Agreement and the other Loan Documents shall remain unchanged and shall continue in full force and effect, in each case as amended hereby.

4. Reaffirmation and Confirmation. Each of Borrower and each Guarantor party hereto hereby ratifies, affirms, acknowledges and agrees that the Loan Agreement and the other Loan Documents represent the valid, enforceable and collectible obligations of Borrower and the Guarantors, and further acknowledges that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Loan Agreement or any other Loan Document. Each of Borrower and each Guarantor party hereto hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by Borrower and the Guarantors party hereto in all respects.

5. Conditions to Effectiveness of Amendment. This Amendment shall become effective as of the date first written above upon the satisfaction of each of the following conditions precedent:

(a) Each party hereto shall have executed and delivered this Amendment to Agent;

(b) Agent shall have received a fully executed copy, in form and substance reasonably satisfactory to Agent, of a conforming amendment to the Revolving Loan Agreement;

(c) All proceedings taken in connection with the transactions contemplated by this Amendment and all documents, instruments and other legal matters incident thereto shall be reasonably satisfactory to Agent and its legal counsel; and

(d) No Default or Event of Default shall have occurred and be continuing.

6. Representations and Warranties. In order to induce Agent and Lenders to enter into this Amendment, each of Borrower and each Guarantor party hereto hereby represents and warrants to Agent and Lenders that, after giving effect to this Amendment:

(a) All representations and warranties contained in the Loan Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of this Amendment,

in each case as if made on and as of such date, other than representations and warranties that expressly relate solely to an earlier date (in which case such representations and warranties were true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date);

(b) No Default or Event of Default has occurred and is continuing; and

(c) This Amendment and the Loan Agreement, as amended hereby, constitute legal, valid and binding obligations of Borrower and the Guarantors and are enforceable against Borrower and the Guarantors in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

7. Miscellaneous.

(a) Expenses. Borrower agrees to pay on demand all expenses of Agent in connection with the preparation, negotiation, execution, delivery and administration of this Amendment in accordance with the terms of the Loan Agreement.

(b) Governing Law. This Amendment shall be a contract made under and governed by, and construed in accordance with the internal laws of the State of New York.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. Delivery of an executed signature page of this Amendment by facsimile transmission or electronic photocopy (i.e. "pdf") shall be effective as delivery of a manually executed counterpart hereof.

8. Release. In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of Borrower and each Guarantor party hereto, on behalf of itself and its respective successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, as of the date of this Amendment, both at law and in equity, which Borrower or any Guarantor, or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the

day and date of this Amendment, in each case for or on account of, or in relation to, or in any way in connection with any of the Loan Agreement, or any of the other Loan Documents or transactions thereunder or related thereto.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

BORROWER:

SCHOOL SPECIALTY, INC.

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

GUARANTORS:

CLASSROOMDIRECT.COM, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

SPORTIME, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

DELTA EDUCATION, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

PREMIER AGENDAS, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

CHILDCRAFT EDUCATION, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

BIRD-IN-HAND WOODWORKS, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

CALIFONE INTERNATIONAL, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

SSI GUARDIAN, LLC, a Delaware limited liability company

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

AGENT:

TCW ASSET MANAGEMENT COMPANY LLC,
as Agent

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

LENDERS:

TCW DIRECT LENDING LLC,
as a Lender
By TCW Asset Management Company LLC
Its Investment Advisor

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

**TCW DIRECT LENDING STRATEGIC VENTURES
LLC,**
as a Lender

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

WEST VIRGINIA DIRECT LENDING LLC,
as a Lender
By: TCW Asset Management Company LLC,
its Investment Advisor

By: /s/ Suzanne Grosso
Name: Suzanne Grosso
Title: Managing Director

TCW BRAZOS FUND LLC,

as a Lender

By: TCW Asset Management Company LLC,
its Investment Advisor

By: /s/ Suzanne Grosso

Name: Suzanne Grosso

Title: Managing Director

TCW SKYLINE LENDING, L.P.,

as a Lender

By: TCW Asset Management Company LLC,
its Investment Advisor

By: /s/ Suzanne Grosso

Name: Suzanne Grosso

Title: Managing Director

CERBERUS AUS LEVERED HOLDINGS III LLC,
as a Lender

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS AUS LEVERED HOLDINGS LP
as a Lender

By: CAL I GP Holdings LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Senior Managing Director

CERBERUS AUS LEVERED II LP,
as a Lender

By: CAL II GP, LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Vice President

CERBERUS ICQ OFFSHORE LEVERED LP,
as a Lender

By: Cerberus ICQ Offshore GP LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Senior Managing Director

**CERBERUS ICQ OFFSHORE LOAN
OPPORTUNITIES MASTER FUND, L.P.**

as a Lender

By: Cerberus ICQ Offshore Levered GP, LLC
Its: General Partner

By: /s/ Daniel E. Wolf
Name: Daniel E. Wolf
Title: Senior Managing Director

CERBERUS LOAN FUNDING XXI L.P.,

as a Lender

By: Cerberus LFGP XXI, LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS OFFSHORE LEVERED LOAN

OPPORTUNITIES MASTER FUND III, L.P.

as a Lender

By: Cerberus Offshore Levered Opportunities III GP, LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

CERBERUS REDWOOD LEVERED A LLC,

as a Lender

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Vice President

CERBERUS REDWOOD LEVERED B LLC,

as a Lender

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Vice President

CERBERUS REDWOOD LEVERED LOAN

OPPORTUNITIES FUND A, L.P.

as a Lender

By: Cerberus Redwood Levered Opportunities GP A, LLC

Its: General Partner

By: /s/ Daniel E. Wolf

Name: Daniel E. Wolf

Title: Senior Managing Director

**CERBERUS REDWOOD LEVERED LOAN
OPPORTUNITIES FUND B, L.P.,**

as a Lender

By: Cerberus Redwood Levered Opportunities GP B, LLC

Its: General Partner

By: /s/ Daniel E. Wolf _____

Name: Daniel E. Wolf _____

Title: Senior Managing Director _____

CERBERUS SWC LEVERED II LLC,

as a Lender

By: /s/ Daniel E. Wolf _____

Name: Daniel E. Wolf _____

Title: Vice President _____

**CERBERUS SWC LEVERED LOAN OPPORTUNITIES
MASTER FUND, L.P.**

as a Lender

By: Cerberus SWC Levered Opportunities GP, LLC

Its: General Partner

By: /s/ Daniel E. Wolf _____

Name: Daniel E. Wolf _____

Title: Senior Managing Director _____

FOURTH AMENDMENT TO
LOAN AGREEMENT

THIS FOURTH AMENDMENT TO LOAN AGREEMENT (this "Amendment") is entered into as of August 9, 2018 by and among **SCHOOL SPECIALTY, INC.**, a Delaware corporation ("Company"), **CLASSROOMDIRECT.COM, LLC**, a Delaware limited liability company ("Classroom"), **SPORTIME, LLC**, a Delaware limited liability company ("Sportime"), **DELTA EDUCATION, LLC**, a Delaware limited liability company ("Delta"), **PREMIER AGENDAS, LLC**, a Delaware limited liability company (as successor in interest to Premier Agendas, Inc., a Washington corporation, "Premier"), **CHILDCRAFT EDUCATION, LLC**, a Delaware limited liability company (as successor in interest to Childcraft Education Corp., a New York corporation, "Childcraft"), **BIRD-IN-HAND WOODWORKS, LLC**, a Delaware limited liability company (as successor in interest to Bird-In-Hand Woodworks, Inc., a New Jersey Corporation, "Bird"), **CALIFONE INTERNATIONAL, LLC**, a Delaware limited liability company (as successor in interest to Califone International, Inc., a Delaware corporation, "Califone"), **SSI GUARDIAN, LLC**, a Delaware limited liability company ("SSI"), and together with Classroom, Sportime, Delta, Premier, Childcraft, Bird and Califone collectively, "Subsidiary Borrowers" and each, individually, a "Subsidiary Borrower", the Lenders party hereto, and **BANK OF AMERICA, N.A.**, as agent for the Lenders (in such capacity, "Agent").

WHEREAS, Company, Subsidiary Borrowers from time to time party thereto, Agent, and the Lenders from time to time party thereto are parties to that certain Loan Agreement, dated as of June 11, 2013 (as amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Loan Agreement"); and

WHEREAS, Company has requested that Agent and the Lenders amend the Loan Agreement in certain respects as set forth herein, and Agent and the Lenders party hereto have agreed to the foregoing, on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the premises and mutual agreements herein contained, the parties hereto agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Loan Agreement.

2. Amendments to Loan Agreement. Subject to the satisfaction of the conditions set forth in Section 5 below and in reliance upon the representations and warranties of Borrowers and the Guarantors party hereto set forth in Section 6 below, the Loan Agreement is amended as follows:

(A) The defined term "Change of Control" set forth in Section 1.1 of the Loan Agreement is hereby amended by deleting the reference to "35%" contained therein and inserting "50%" in lieu thereof.

(B) The defined term "Specified Unsecured Prepetition Debt" set forth in Section 1.1 of the Loan Agreement is hereby amended and restated in its entirety, as follows:

Specified Unsecured Prepetition Debt: any payment or distribution in respect of the Allowed General Unsecured Claims or Allowed Trade Unsecured Claims (as such terms are defined in the Plan of Reorganization) that is made in accordance with Sections IV.E, IV.F and V.I of the Plan of Reorganization in an aggregate amount not to exceed the sum of (x) \$24,500,000 and (y) the amount of accrued and unpaid interest thereon.

(C) Clause (k) of Section 10.2.1 of the Loan Agreement is hereby amended and restated in its entirety as follows:

(k) Specified Unsecured Prepetition Debt in an aggregate original principal amount (excluding accrued and unpaid interest thereon) not to exceed \$24,500,000;

3. Continuing Effect. Except as expressly set forth in Section 2 of this Amendment, nothing in this Amendment shall constitute a modification or alteration of the terms, conditions or covenants of the Loan Agreement or any other Loan Document, or a waiver of any other terms or provisions thereof, and the Loan Agreement and the other Loan Documents shall remain unchanged and shall continue in full force and effect, in each case as amended hereby.

4. Reaffirmation and Confirmation. Each of Company, each Subsidiary Borrower and each Guarantor party hereto hereby ratifies, affirms, acknowledges and agrees that the Loan Agreement and the other Loan Documents represent the valid, enforceable and collectible obligations of Borrowers and the Guarantors, and further acknowledges that there are no existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Loan Agreement or any other Loan Document. Each of Company, each Subsidiary Borrower and each Guarantor party hereto hereby agrees that this Amendment in no way acts as a release or relinquishment of the Liens and rights securing payments of the Obligations. The Liens and rights securing payment of the Obligations are hereby ratified and confirmed by Borrowers and the Guarantors party hereto in all respects.

5. Conditions to Effectiveness of Amendment. This Amendment shall become effective as of the date first written above upon the satisfaction of each of the following conditions precedent:

(a) Each party hereto shall have executed and delivered this Amendment to Agent;

(b) Agent shall have received a fully executed copy, in form and substance reasonably satisfactory to Agent, of a conforming amendment to the Term Loan Agreement;

(c) All proceedings taken in connection with the transactions contemplated by this Amendment and all documents, instruments and other legal matters incident thereto shall be reasonably satisfactory to Agent and its legal counsel; and

(d) No Default or Event of Default shall have occurred and be continuing.

6. Representations and Warranties. In order to induce Agent and Lenders to enter into this Amendment, each Borrower and each Guarantor party hereto hereby represents and warrants to Agent and Lenders that, after giving effect to this Amendment:

(a) All representations and warranties contained in the Loan Agreement and the other Loan Documents are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of the date of this Amendment, in each case as if made on and as of such date, other than representations and warranties that expressly relate solely to an earlier date (in which case such representations and warranties were true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof) on and as of such earlier date);

(b) No Default or Event of Default has occurred and is continuing; and

(c) This Amendment and the Loan Agreement, as amended hereby, constitute legal, valid and binding obligations of each Borrower and the Guarantors and are enforceable against each Borrower and the Guarantors in accordance with their respective terms, except as enforcement may be limited by equitable principles or by bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or limiting creditors' rights generally.

7. Miscellaneous.

(a) Expenses. Borrowers agree to pay on demand all expenses of Agent (including expenses of its legal counsel) in connection with the preparation, negotiation, execution, delivery and administration of this Amendment in accordance with the terms of the Loan Agreement.

(b) Governing Law. This Amendment shall be a contract made under and governed by, and construed in accordance with the internal laws of the State of New York.

(c) Counterparts. This Amendment may be executed in any number of counterparts, and by the parties hereto on the same or separate counterparts, and each such counterpart, when executed and delivered, shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Amendment. Delivery of an

executed signature page of this Amendment by facsimile transmission or electronic photocopy (i.e. "pdf") shall be effective as delivery of a manually executed counterpart hereof.

8. Release. In consideration of the agreements of Agent and Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Borrower and each Guarantor party hereto, on behalf of itself and its respective successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges Agent and Lenders, and their successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees" and individually as a "Releasee"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever (individually, a "Claim" and collectively, "Claims") of every name and nature, known or unknown, suspected or unsuspected, as of the date of this Amendment, both at law and in equity, which any Borrower or any Guarantor, or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment, in each case for or on account of, or in relation to, or in any way in connection with any of the Loan Agreement, or any of the other Loan Documents or transactions thereunder or related thereto.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized and delivered as of the date first above written.

SCHOOL SPECIALTY, INC.,
as a Borrower and a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

CLASSROOMDIRECT.COM, LLC,
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

SPORTIME, LLC,
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

DELTA EDUCATION, LLC,
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

[Signature page to Fourth Amendment to ABL]

PREMIER AGENDAS, LLC,
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

CHILDCRAFT EDUCATION, LLC,
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

BIRD-IN-HAND WOODWORKS, LLC,
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

CALIFONE INTERNATIONAL, LLC
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

SSI GUARDIAN, LLC
as a Borrower and as a Guarantor

By: /s/ Kevin L. Baehler
Name: Kevin L. Baehler
Title: CFO

[Signature page to Fourth Amendment to ABL]

BANK OF AMERICA, N.A.,
as Agent and as a Lender

By: /s/ Brad Breidenbach
Name: Brad Breidenbach
Title: Senior Vice President

BANK OF MONTREAL
as a Lender

By: /s/ Terrence McKenna
Name: Terrence McKenna
Title: Director

[Signature page to Fourth Amendment to ABL]